A STUDY ON THE EFFECTS OF LIBERALISATION AND DECENTRALISATION POLICY ON EDUCATION IN KERALA

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ABSTRACT

While India can boast of having the third largest higher education system in the world, reality is that India is facing a severe shortage of skilled human resources. The reason for such a contrasting situation is the extremely low quality of primary, secondary, and college-level education in India. A possible way-out from this situation is privatization of the education system, which is predominantly public at present. Privatization of education has the potential to improve the quality of education as well as to reduce the cost. However, to ensure access to education for all, the government must design an effective transfer-payment system. Educational institutions in Kerala still lay emphasis on traditional courses in arts and science subjects. The job markets in foreign countries are now seeking specialized labourers. Traditional pattern of education provided by the institutions of Kerala cannot meet the needs of these job markets. The failure of the public system of education to add new specializations to existing courses, as also to start new courses in emerging areas, has led to the migration of students to other states. The courses in fast growing areas like computer education, travel and tourism, hotel management, foreign languages etc. are provided by private institutions in Kerala. In Kerala, social, religious and political organizations acted as pressure groups for the establishment of new institutions. But it has been criticized that the education system of Kerala lacks quality. The lack of proper investment is the main constraint for the modernization and diversification of the education sector. Private agencies played a major role in the expansion of the educational sector in Kerala. These institutions are liberally aided and supported by the government. The number of private aided schools and colleges outnumber the government-owned institutions. Now the government is sanctioning the private self-financing institutions. This article examines liberalization and decentralization policy in education and its effects on education quality and equity in Kerala state.

Keywords: Traits Liberalisation; Decentralization; Education; Kerala

INTRODUCTION

The debate surrounding around the issues with financing higher education is primarily because ‘education’ is considered to be a quasi-public good. It is a public good because the benefits out of it largely affect society through human capital formation and knowledge. However, it is also considered to be a private good because it provides a platform for the individual to generate regular income for themselves through their skills. This theoretical divide in the concept of education has led to policy makers and practitioners have different perspectives about financing higher education. It discusses some aspects of Kerala economy and society, which have a direct influence on the State’s education system. Growth in State Domestic Product, structural changes in the economy, growth in employment and unemployment, international migration, demographic changes and State’s fiscal crisis are some of the areas covered under this head. The paper also examines the trends in the educational finances of the State. The paper finds that the share of education in the State’s budget has reached an all-time low precisely when the State Domestic Product has been recording all-time high growth rates. The vacuum
created by the withdrawal of the State is now being filled by unaided self-financing institutions, especially in the professional educational sector. There is a paradigm shift in the State’s education from an all-inclusive system, attempting to reach education to all social and economic groups, to an exclusive system, limiting access to the upper echelons of society. The pendulum seems to be swinging from one extreme to the other, from a highly subsidized and state sponsored system to a total student financing system. This shift in approach has the potential of undermining the very Kerala Model of Development and is likely to have far-reaching adverse social and economic consequences. The school curriculum failed to equip students with the skills necessary for a modern economy. In Kerala people shows an obsession to secure white collar jobs and reluctance to do manual work. Though the unemployment rates in Kerala are the highest in India, the state’s requirements for manual labour in occupations like farming, construction, quarrying, earthworks etc. are increasingly met by laborers from neighboring states. Educational institutions in Kerala still lay emphasis on traditional courses in arts and science subjects. Curricula were not adapted to the changing needs of the economy. The job markets in foreign countries are now seeking specialized labourers. Traditional pattern of education provided by the institutions of Kerala cannot meet the needs of these job markets. The failure of the public system of education to add new specializations to existing courses, as also to start new courses in emerging areas, has led to the migration of students to other states. The courses in fast growing areas like computer education travel and tourism, hotel management, foreign languages etc. are provided by private institutions in Kerala. In Kerala, social, religious and political organizations acted as pressure groups for the establishment of new institutions. But it has been criticized that the education system of Kerala lacks quality. The lack of proper investment is the main constraint for the modernization and diversification of the education sector. Private agencies played a major role in the expansion of the educational sector in Kerala. These institutions are liberally aided and supported by the government. The number of private aided schools and colleges outnumber the government-owned institutions. Now the government is sanctioning the private self-financing institutions.

The importance of education is rising day by day. Technological advances, modern life standards require well educated, proficient people around the world. Moreover, education is seen as an important tool to reach economic achievement for the countries. Hence, many governments try to succeed in the education sector, by trying to develop it. For this purpose, governments should provide education for all and increase the quality of education at schools. Especially developing countries are faced with major difficulties in reaching such goals. In many countries, governments strive to enable better education to their citizens. With their inadequate resources, they sometimes come up against growing population and limited schools, deficient and low qualified teachers and poor educational environment because of high costs of education services. While governments were suffering from such problems, privatisation policies came in and appeared to provide a solution. Some authors agree that if governments can deliver the education services through private sector, the burden on the national budget can be reduced and quality of education can get higher. Private schools can be pro-profit or non-profit and these would have distinct effects on the education system. We will seek an answer to whether privatisation is a beneficial policy for education systems. In this article firstly, reasons and historical background of privatisation in education will be examined. Then privatisation in kerala education system will be analysed from different perspectives.

The term ‘privatization’ is an umbrella term referring to many different educational programmes and policies. As an overall definition, ‘ privatization is the transfer of activities, assets and responsibilities from government/public institutions and organizations to private individuals and agencies’. Also, privatization is often thought of as ‘liberalization’ – where agents are freed from government regulations or as ‘marketization’ – where new markets are created as alternatives to government services or state allocation systems the trend towards privatization is strong: it is taking place in many countries and within many sectors of the economy. The education sector – because it is a large expenditure item in government budgets – often faces pressure to privatize. This pressure comes in many forms. For example, education can be privatized if: (a) students enroll at private schools; or (b) if higher education is privately funded. In the first case, schooling is no longer provided by the
government; in the second case, the government is no longer funding education through taxpayers’ money or loans. So private school students’ parents may press for privatization, as may the taxpayers who fund higher education. In general, it is helpful to think of privatization in three forms.

**New Economic Policy and Privatisation of Education:** Recently, governments both at the centre and the state favour more private initiative in education and they have shown the tendency of gradual withdrawal from the education sector. The state government has been reducing, its expenditure on education. The share of education in total expenditure has been brought down from 27.45 per cent in 1990-91 to 22.47 per cent in 2001-02 Year 2001. The number of government and govt aided schools has also registered a decline, but the number of private schools in the unaided sector has gone up and there has been a steady increase in the enrollment in un aided schools since 1991. What the pictures of landscape in education in Kerala as well as India clearly point out is that there is a steady growth of Unaided sector, at the cost of aided and govt. financed private and govt. schools, at all the levels, though there is slight variation. There have been several interpretations for this phenomenon. As it has been pointed out by experts deterioration of quality of education in govt. schools and the poor and inefficient public education system has encouraged this trend in general. Apart from this, the identification of education as a sector for better investment area has also invited huge investments in this sector which accelerated the supply side provisions.

**Economic Development and Privatisation of Education:** The increase in expenditure on education by Indian households is evident from the fact that while consumer market has grown at 14.5 percent per annum over the last 5 years, expenditure on education rose by 21per cent. An analysis of the data shows that as households become economically prosperous their share of expenditure on education gradually rises from 2 per cent for the bottom 10 per cent to 13.5per cent for the top 10 per cent households. A major factor that is contributing to this increase in expenditure on education is the growing preference for private sector educational institutes over government institutes. Many of the rural families send their children to private schools even it means incurring increased expenditure in spite of the presence of adequate number of government schools in the neighborhood.

**Policy Implications:** The government has been gradually withdrawing from economic activities; private enterprise is being encouraged. The withdrawal of state from the frontier of welfare activities, reduction in government spending in the social sector and promotion of private initiative in all most all the areas of development were the core of the policy prescriptions. The state government has been reducing, its expenditure on education. The number of government and aided schools has also registered a decline, but the number of private schools in the unaided sector has gone up.. Education as a monopoly and as a state supported system is also being liberalised. Private initiative and investment has been rising rapidly in the form of unaided schools and self-financing institutions. The share of unaided schools in the total number of schools in Kerala has increased from 4.5 per cent in 1990-91 to 8.5 per cent in 2000-01, while the share of Government and aided schools has declined from 39.2 and 56.3 in 1990-91 to 37 per cent and 53.8 per cent respectively in 2000-01 (Economic Review, 2001)

**Why Is Privatization Happening?**

There are many factors driving privatization in education. These factors differ in intensity between countries and across the three sectors of primary, secondary and tertiary education. However, when combined, they represent a powerful force that may increase privatization, even when government officials are resistant to change. Before listing these factors, it is worth noting that some advocates of privatization are motivated by an ideological commitment to individual rights over government intervention. These advocates believe that a family’s right to choose its own education is paramount, and that the burden of proof should be on governments to explain why they would deprive parents of this right. Other advocates may stress efficiency; detractors may argue that any private education system based on ability-to-pay is inequitable. The conventional view, more than likely, is to see privatization as a way of redressing the balance from government involvement to greater autonomy for
families. Both government and family are important, and privatization shifts emphasis on to the latter relative to the former.

**Demand-Side Pressures:** The first factor that can be cited to explain privatization in education is simple: many parents want it. In many countries, education is viewed as an important way to gain social and economic advancement. Therefore, the demand for education is high (James, 1987), and if governments cannot afford to provide and fund all the education that parents expect for their children, then those parents will seek private suppliers. This type of demand is ‘excess demand’, over and above what is provided by the government. Typically, this will encourage privatization at the secondary and tertiary levels, as parents seek to give their children more years of education than may be available in government schools. In addition, many parents want for their children an education different from that offered in public schools

**Supply-Side Pressures:** The second factor that motivates privatization is the decline in the quality of, and in some cases the reductions in funds available to, the public sector (Murphy, 1996). Many parents may feel that the local public school is inefficient in providing education of the type that is most needed; this dissatisfaction can be seen across many nations and is often reported by parents in very basic terms (such as the inability of the school to guarantee their children’s safety). These parents consequently seek alternatives, often in the private sector.

**General Pressures:** As well as these push-and-pull factors, there are general pressures to privatize education systems. One such factor is global economic and social change. Globalization, linked with market liberalization, has both pressured and encouraged governments to seek more efficient, more flexible, and more expansive education systems. Privatization may be one response to these changes. For example, there is a great international demand for higher education instruction in the English language.

**OBJECTIVES OF THE STUDY**

The purpose of this study was to investigate the effects of liberalization and decentralization policy on education in Kerala. Following are the main objectives of the study.

1. To study the effects of liberalization and decentralization policy on education in Kerala.
2. To analysis the Economic Development and Privatisation of Education.
3. To analyses government Policy and its Implications on education.

**SCOPE AND SIGNIFICANCE OF THE STUDY**

This paper has been made an attempt to analysis the effects of liberalization and decentralization policy on education in Kerala.

This study conducted among school and colleges both in government and private sector in Kerala. Data was collected from students, parents, public and officials like teachers, principal/ HM and social workers

**RESEARCH METHODOLOGY**

**Research Design:** This research is descriptive in nature. Sample design is determined before data is collected. Random sampling method is used to collect the data from the population. The study is designed as a descriptive one on survey method. Simple random sampling method is used to collect data. Data are collected directly from the given population and collects opinions from officials like teachers, principal/ HM and social workers.

**Population and Sample:** Population comprises of students, parents, teachers and other officials in Kerala. The students and parents included from government, aided, self Finance and private institutions in Kerala state. The study was conducted during the period from February 2014 to May 2015.
Tools for Data Collection: Both primary and secondary data are used for the study. Primary data was collected directly from the students, parents, teachers, social workers and officials through a structured questionnaire. Secondary data was collected from journals, articles, websites, blogs etc.

Tools for Data Analysis: Data was analyzed by using simple statistical tools like tables, bar diagrams and pie diagrams.

LIMITATIONS OF THE STUDY

- It took time to collect data due to non co operation from some schools.
- Some of the results of the study cannot be generalized to other areas of the state and country as they are the personal opinions of the officials.
- It took time to collect the data due to the busy schedule officials.

FINDINGS OF THE STUDY

- Increasing Availability and Accessibility of education
- Increasing Educational Choice
- Increasing Parental Participation in education
- Due to competition in education, improve the infrastructure of educational institutions.
- Failures to Ensure Quality Teaching Through Competitive Salaries and Adequate Teaching Qualifications
- Enhanced Stratification and Perpetuation of Socio Economic Differences and Class Barriers
- Create and enhance classification of people on the basis of income.
- In school levels there is no scale of limits regarding tuition fees and other fees. Many private school charges comparatively huge amounts from students.
- Privatisation helps to improve the quality of government schools by completion.

SUGGESTIONS

- It is better if the government set up a strict regulating authority to supervise private schools.
- It may be useful when the government fixes the tuition and other fees of private schools like college level education.
- It may be good if the government avoid the moderation scheme and should avoid window dressing of school results.
- It is better if the government make provision reservation in private school also to reduce discrimination on the basis of income.
- It is good if the toilet and other basic facilities in government school are ensured.

CONCLUSIONS

The world we live in is extraordinarily dynamic and forces us daily to face numerous changes in all areas of life. Although the relationship between private and state property was considered and compared by classics in economics, it is only over the last couple of decades that the privatization processes have become a part of everyday economic life. Privatization reaches all industrial branches and the most re- cent trend is to involve private sector into public administration. Education system is not immune to privatization either, however, due to its specific c nature the privatization processes have to be handled very cautiously. This paper examines the effects of privatization in education, the factors causing privatization in higher education and how it is implemented. It also looks at the issue
of advantages and disadvantages of privatization in education. If we consider privatization from an economic point of view only, the starting point of any analysis should be the analysis of arguments pro and against privatization in general. Nevertheless, education is not just an ordinary one-off service. Education is not just the transfer of information and knowledge from teachers to students. Education is what shapes each individual society and determines its future to a large extent. Through education system, individuals learn how to survive in a global world and become successful members of the society. Education is definitely one of the most important public goods and a generator of an extraordinary stream of positive externalities. These are the very reasons why it is necessary to consider the issue of privatization in higher education from different points of view, not just economic.

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