

PART - 3

FINANCING OF EDUCATION

CHAPTER - VIIIFINANCING OF EDUCATION

In this and the following chapter, we deal with the matters of educational finance. Of the total recorded expenditure incurred on education, part is financed by the private sector, i.e. out of fees and private endowments and other sources and part by government. First, we shall examine the role of private sector in the financing of education and then we shall examine the role of government

I

Role of Private Sector :

Recorded Table - I
Private Expenditure on Education by Sources

(In Rs.million)

Year	Fees	Private endowments & other sources	Total	Columns 2,3, and 4 as a proportion of total recorded educational expenditure		
1	2	3	4	5	6	7
1950-51	232.6 (65.2)	124.0 (34.8)	356.6 (100.0)	20.9	11.0	31.9
1960-61	588.5 (68.0)	278.0 (32.0)	866.5 (100.0)	17.4	8.2	25.6
1965-66	906.0 (68.2)	420.4 (31.8)	1326.4 (100.0)	15.4	7.1	22.5
Growth rate	289.5	239.0	272.0			

Note: Figures in brackets denote the proportions of fees and private endowments and other sources to recorded private expenditure on education (Col.4).

As can be seen from Table I, the private expenditure on education was of the order of Rs.356.6 million in 1950-51. It rose to Rs.866.5 million in 1960-61. It further went upto Rs.1,326.4 million in 1965-66. This gives a growth rate of 272 per cent for the period as a whole. But as a proportion of the total educational expenditure it has shown a downward tendency. The proportion of the private expenditure incurred on education to total was 31.9 per cent in 1950-51, 25.6 per cent in 1960-61 and 22.5 per cent in 1965-66.

Of the two private sources financing education, fees are clearly more important source. Fees accounted for 65 per cent of the private expenditure on education in 1950-51. It went upto 68 per cent in 1960-61 and remained at the same level in 1965-66. As against this, the proportionate share of private endowments and other sources declined from 34.8 per cent in 1950-51 to 32.0 per cent in 1960-61 and from that to 31.8 per cent in 1965-66. Even as a proportion of the total educational expenditure, fees contribution works out to twice that of private endowments and other sources. Fees formed 15.4 per cent of the total educational expenditure in 1965-66 whereas private endowments accounted for 7.1 per cent.

In examining the role of the private sector in financing of education by level and type, we shall take up first the role of fees and then the role of private endowments.

(A) Role of Tuition fees :

Fees comprise tuition fees, examination fees and hostel fees. Tuition and examination fees are payable towards 'direct' expenditure on education which is largely incurred for providing instruction. Hostel fees are payable towards what is known as 'indirect' expenditure on education, i.e. the expenditure incurred on 'Hostels'.

The break-up of educational expenditure according to level and type of education is available for direct expenditure and not for indirect expenditure. Nor is the break-up available for fees other than tuition fees. We shall, therefore, have to confine ourselves to the examination of the role of tuition fees only in the financing of direct educational expenditure.

Table - II
Direct Expenditure met from Tuition Fees
(According to Levels of Education)

(In percentages)

Level of education	Direct expenditure met from tuition fees	
	1950-51	1960-61
Elementary level	6.2	4.4
Secondary school level	45.2	35.6
Higher education level	40.1	39.0

As can be seen from Table II, the proportion of the direct expenditure met from tuition fees declined for all the three levels of education over the period under review. For the elementary level of education, the proportion of 6.2 per cent in 1950-51 declined to 4.4 per cent in 1960-61. For the second level of education, the proportion of 45.2 per cent in 1950-51 declined to 35.8 per cent in 1960-61. And that for higher education went down to 39.0 per cent in 1960-61 from 40.1 per cent in 1950-51. More than one-third of the direct expenditure incurred on two higher levels of education was still covered by tuition fees in 1960-61.

Table - IIA
Proportion of Direct Expenditure met from Tuition
fees (According to Types of Education)
(In Percentages)

Type of education	Direct expenditure met from tuition fees	
	1950-51	1960-61
General Education Schools	50.2	39.5
Professional education Schools	11.7	13.8
General Education Colleges	44.9	44.6
Professional Education Colleges	20.9	21.0
Special Education Colleges	13.6	15.4

It can be seen from Table IIA that tuition fees covered 50 per cent of direct expenditure on general education secondary

schools in 1950-51 but the proportion declined to 39.5 per cent in 1960-61. Of the direct expenditure incurred on general education at the college level the proportion covered by tuition fees was 45 per cent both in 1950-51 and 1960-61. As against this, for professional school and college education the proportion of the direct expenditure covered by tuition fees was considerably lower. It was 12 per cent in 1950-51 and 14 per cent in 1960-61 for the professional school education whereas it was 21.0 per cent both in 1950-51 and 1960-61 for the professional college education. For special education colleges the proportion was 13.6 per cent in 1950-51. It rose to 15.4 per cent in 1960-61.

Thus it is clear that compared to professional schools and colleges and special education (colleges), general education schools and colleges are far more heavily dependent on tuition income.

Table - IIB
Proportion of Direct Expenditure met from Tuition
Fees (By Types of Management)

Institution by management	Elementary level		Secondary level		Higher Education	
	1950-	1960-	1950-	1960-	1950-	1960-
	51	61	51	61	51	61
Government institutions	3.1	1.3	23.1	14.0	18.9	17.5
Private aided institutions	14.5	11.4	54.0	46.3	44.1	44.4
Private unaided institutions	40.9	49.2	75.3	78.6	77.0	64.3

Table IIB shows that the private unaided institutions, whether of school or college level, relied heavily on tuition income for meeting their educational expenses. For elementary schools, the proportion of the direct expenditure financed out of tuition fees was 40.9 per cent in 1950-51. It rose to 49.2 per cent in 1960-61. The corresponding proportions for secondary schools were 75.3 per cent in 1950-51 and 78.6 per cent in 1960-61. For colleges run by private unaided institutions, the corresponding proportions were 77 per cent and 64 per cent in 1950-51 and 1960-61 respectively.

The proportion of the direct expenditure financed out of tuition fees for private aided schools and colleges is not as high as that for private unaided institutions, but it is by no means insignificant.

The proportion for the private aided elementary schools (including pre-primary schools) was 14.5 per cent in 1950-51 and 11.4 per cent in 1960-61. The corresponding proportions for the government institutions were 3.1 per cent and 1.2 per cent in 1950-51 and 1960-61 respectively. For the private aided secondary schools, both professional and non-professional types, the proportion of the direct expenditure financed out of tuition fees was 54 per cent in 1950-51 and 46 per cent in 1960-61. For the government institutions, the proportion was

23 per cent in 1950-51 and 14 per cent in 1960-61. The former was more than three times the latter in 1960-61.

Similarly, the proportion of the tuition fees to the direct expenditure incurred on private aided colleges was 44 per cent both in 1950-51 and 1960-61. As against this, for the government institutions, the proportion declined to 17.5 per cent in 1960-61 from 18.9 per cent in 1950-51.

Table - IIC

Proportion of Direct Expenditure met from Tuition Fees
(Types of Management)

Institution by manage- ment	(In percentages)									
	General education schools		Profess- ional schools		General education colleges		Professi- onal colleges		Special education colleges	
	'50- '51	'60- '61	'50- '51	'60- '61	'50- '51	'60- '61	'50- '51	'60- '61	'50- '51	'60- '61
Government	31.2	17.6	3.4	4.7	32.3	24.4	15.0	13.8	1.6	7.0
Private aided	52.0	47.2	22.5	32.0	46.2	47.5	20.6	30.2	15.4	18.3
Private unaided	78.6	78.1	82.4	82.3	80.0	60.0	84.2	72.4	21.0	50.0

It can be observed from Table IIC that of the three types of institutions, the proportion of the direct expenditure financed out of tuition fees is the lowest for government institutions. Barring government professional schools and colleges for special education, the proportion declined during the period from 1950 to 1960. For the government general education

schools, the proportion was lower at 17.6 per cent in 1960-61. It was 31.2 per cent in 1950-51. For government general education colleges, it was reduced to 24.4 per cent in 1960-61 from 32.3 per cent in 1950-51. Tuition income financed the lower proportion of 13.8 per cent of the direct expenditure incurred on government professional colleges in 1960-61. It was 15.0 per cent in 1950-51.

Only with regard to private aided non-professional schools, the proportion of the direct expenditure financed out of tuition fees declined from 52 per cent in 1950-51 to 47.2 per cent in 1960-61. For other types of private aided schools and colleges, the proportion showed an increase. Tuition fees covered 22.5 per cent and 32.0 per cent of the direct expenditure incurred on private aided professional schools in 1950-51 and 1960-61 respectively. The corresponding proportions for the private aided colleges - general, professional and special - were higher at 48 per cent, 30 per cent and 18 per cent respectively in 1960-61.

The proportion of the direct expenditure financed out of tuition fees was the highest for the private unaided institutions. For private unaided general and professional schools, the proportion of the direct expenditure covered by tuition fees remained unaltered over the decade 1950's. In

1960-61, ^{it} was 78 per cent and 82 per cent respectively. The proportion declined for both private unaided general and professional colleges. However in 1960-61, the proportion was 60 per cent and 72 per cent respectively. For special education colleges the proportion was considerably higher at 50 per cent in 1960-61. It was 21 per cent in 1950-51.

The above facts regarding the relative dependence of schools and colleges under different managements have to be seen in the light of what we know already regarding the relative importance of different types of management at the three levels of education. No doubt, tuition fees are a major source of revenue for private unaided schools and colleges at all levels but enrolment in these institutions is just 2 per cent at the first level, 8 per cent at the second level and 20 per cent at 3rd level.

The position of private aided schools or colleges is different. Even at the first level the enrolment in these institutions comprises over one-fifth of the total in 1960-61. At the second level over 50 per cent and at the third level over 60 per cent of the enrolment was accounted for by these aided institutions.

Government institutions accounted for 77 per cent of the enrolment at the first level of education in 1960-61. At the

second and third levels, they accounted for 33 per cent and 25 per cent respectively.

(B) Role of Private Endowments and Other Sources :

Table - III

Direct, Indirect and Total Recorded Educational
Expenditure Covered by Private Endowments and
other Sources (In percentages)

Year	Direct expenditure covered by private endowments	Indirect expenditure covered by Private endowments	Total educational expenditure covered by private endowments
1950-51	8.5	21.0	11.0
1960-61	6.8	12.2	8.2
1965-66	6.0	10.6	7.1

From Table III it can be seen that the proportion of the total educational expenditure financed out of income from private endowments and other sources declined over the period under review. In 1950-51, it was 11.0 per cent. In 1960-61, the proportion was lower at 8.2 per cent. It was further reduced to 7.1 per cent in 1965-66. The proportion of the direct and indirect expenditure met from private endowments and other sources also showed a declining tendency over the period 1950-51 to 1965-66. The proportion of the direct expenditure covered by private endowments reduced to 6.8 per cent

in 1960-61 from 8.5 per cent in 1950-51. It was still lower at 6.0 per cent in 1965-66. As against this, the proportion of the indirect expenditure financed by this private source was 21.0 per cent in 1950-51. In 1960-61, it was at a lower level of 12.2 per cent. And from that it further went down to 10.6 per cent in 1965-66. However, the proportion of 10.6 per cent for indirect expenditure was approximately two times higher than that for direct expenditure.

Table - IIIA

Proportion of Direct Expenditure met from Private
Endowments and other Sources (In Percentages)
(According to Levels of Education)

Year	Level of Education		
	First Level	Second Level	Third Level
1950-51	5.4	10.2	13.5
1960-61	4.0	7.8	11.6

As can be seen from Table IIIA, the proportion of the direct expenditure incurred on the first level of education covered by private endowments and other sources declined over the period 1950-51 to 1960-61. It was 5.4 per cent in 1950-51 and 4.0 in 1960-61. At the second level of education, the proportion of the direct expenditure met from private endowments and other sources was 10.2 per cent in 1950-51. It was 7.8 per cent in 1960-61. The corresponding proportions for the third

level of education were 13.5 per cent and 11.6 per cent in 1950-51 and 1960-61 respectively.

Thus according to level of education also the proportionate share of private endowments and other sources showed a downward tendency.

This private source of financing education, comparatively figures importantly at the two higher levels of education. For the second and third levels, the proportion of the direct expenditure financed out of income from private endowments and other sources was respectively two times and three times higher than that for the first level of education.

Table - IIIB
Proportion of Direct Expenditure Met from Private
Endowments and other Sources (In Percentages)
(According to types of Education)

Year	General education schools	Professional education schools	General education colleges	Profes- sional education colleges	Special education colleges
1950-51	10.3	10.6	15.9	7.3	36.4
1960-61	8.0	6.3	13.9	7.4	18.7

Table IIIB shows that for general education schools the proportion of the direct expenditure met from private endowment income reduced to 8.0 per cent in 1960-61 from 10.3 per cent in

1950-51. For professional schools also the proportion declined from 10.6 per cent in 1950-51 to 6.3 per cent in 1960-61.

The corresponding proportions for general education colleges were 15.9 per cent and 13.9 per cent in 1950-51 and 1960-61 respectively. Income from private endowments and other sources financed around 7 per cent of the direct expenditure incurred on professional colleges. And that for special education colleges, the proportion was 36.4 per cent in 1950-51. It was reduced to one-half (i.e. to 18.7 per cent) in 1960-61. Even then, the proportion of 18.7 per cent for special education colleges was the highest.

Thus, in relative terms, this private source of financing is more important to general education colleges and even of greater importance to colleges for special education.

Table - IIIC
Proportion of Direct Expenditure met from Private
Endowments and Other Sources : (In Percentages)
(By Types of Management)

Institution by management	First Level		Second Level		Third Level	
	1950- 51	1960- 61	1950- 51	1960- 61	1950- 51	1960- 61
Government institutions	1.4	1.4	1.8	0.6	5.5	2.0
Private aided institutions	15.7	9.1	14.6	11.4	17.6	13.1
Private un- aided institutions	59.1	50.8	24.7	21.4	23.0	35.7

It can be seen from Table IIIC that private unaided institutions, whether at the first, second and third level of education, in relative terms, relied, to a greater extent, on income from private endowments and other sources in meeting educational expenses. At the first level, the proportion of the direct expenditure covered by private endowments was 59.1 per cent in 1950-51. In 1960-61, the proportion was lower at 50.8 per cent. The corresponding proportions for private unaided secondary schools were 24.7 per cent and ^{21.4}~~15.5~~ per cent in 1950-51 and 1960-61 respectively. For private unaided colleges, the proportion of 23.0 per cent in 1950-51 rose to ^{35.7}~~37.4~~ per cent in 1960-61.

Next in importance comes the private aided institutions. Private aided elementary schools, secondary schools and colleges relied, to the extent of around one-sixth of their direct educational expenditure, on income from private endowments and other sources in 1950-51. In 1960-61, the proportion for private aided elementary schools was 9 per cent, whereas that for private aided secondary schools and colleges was 11.4 per cent and 14.2 per cent respectively.

For the government institutions, the proportion of the direct expenditure covered by private endowments and other sources is insignificant.

Table - IIID
Proportion of Direct Expenditure met from Private
Endowments and Other Sources (In Percentages)
(By Types of Management)

Institutions by Management	General education schools		Profess- ional schools		General education colleges		Profess- ional colleges		Special education colleges	
	'50-'60-		'50-'60-		'50-'60-		'50-'60-		'50-'60-	
	'51v'	'61	'51	'61	'51	'61	'51	'61	'51	'61
Government	1.1	0.6	1.5	0.3	8.4	2.3	3.0	1.8	8.8	0.2
Private aided	12.3	10.9	37.5	21.1	19.6	15.4	22.4	18.0	53.8	25.0
Private unaided	21.4	21.9	17.6	17.7	20.0	40.0	15.8	27.6	79.0	50.0

Table IIID shows that the proportion of the direct expenditure met from private endowments and other sources was of the order of less than one per cent for government general and professional schools and for special education colleges in 1960-61. It was around 2 per cent for government general and professional colleges in 1960-61.

For the private aided schools and colleges of different types, the proportion of the direct expenditure financed out of income from private endowments and other sources declined during the period under review. However, the proportion for the private-aided institutions is considerably higher than that for the government institutions.

Private unaided schools and colleges of different types relied to a greater extent on income from private endowments and other sources in meeting their educational expenses. Private unaided general and professional schools covered 22 per cent and 18 per cent of their direct expenditure respectively in 1960-61. For the private unaided general, professional and special colleges the corresponding proportions were 40 per cent, 28 per cent and 50 per cent respectively in 1960-61. But in terms of enrolment of students, private unaided institutions are relatively less important at the three levels of education.

II

Government as a Source of Finance

In this section, we discuss the role of Government funds as a source of finance according to level and type of education as well as according to type of educational institutions.

From Table IV it can be seen that the proportion of the direct expenditure financed out of government funds increased for all the three levels of education during the period 1950-51

Table - IV

Proportion of Direct Expenditure met from Government Funds
(According to Levels of Education) (In Percentages)

Level of Education	<u>Direct Expenditure Covered by Govt. Funds</u>	
	<u>1950-51</u>	<u>1960-61</u>
First Level (Elementary education)	88.4	91.6
Secondary School Level	44.6	56.6
Higher Education	46.4	49.4

to 1960-61. For the first level, the proportion rose to 91.6 per cent in 1960-61 from 88.4 per cent in 1950-51. The proportion of the direct expenditure incurred on the secondary school level covered by government funds was 44.6 per cent in 1950-51. It was 56.6 per cent in 1960-61. The corresponding proportions for college level were 46.4 per cent and 49.4 per cent in 1950-51 and 1960-61 respectively.

Thus in 1960-61 both the higher levels of education relied, to the extent of 50 per cent of their educational expenditure, on government funds.

It can be seen from Table IVA that the government bodies financed 39.5 per cent of the direct expenditure incurred on general education schools in 1950-51. They financed a much higher proportion of 52.5 per cent in 1960-61. For the general education colleges, the corresponding proportions were 39.4

Table - IVA
Proportion of Direct Expenditure Met From
Government Funds
(According to Types of Education) (In Percentages)

Type of Education	Direct expenditure covered by government funds	
	1950-51	1960-61
General Education Schools	39.5	52.5
Professional Education Schools	77.7	79.9
General Education Colleges	39.4	43.1
Professional Education Colleges	71.8	71.6
Special Education Colleges	50.0	65.9

per cent, in 1950-51 and 43.1 per cent in 1960-61. In contrast to this, both for the professional school and colleges education, the proportions were considerably higher. Various government bodies financed 77.7 per cent of the direct expenditure incurred on professional schools in 1950-51. In 1960-61, the proportion was 79.9 per cent. For the professional colleges, the proportion was around 72 per cent in both the terminal years of the previous decade. And that for special education colleges, the proportion rose to 66 per cent in 1960-61 from 50 per cent in 1950-51.

Thus, government funds are an important source of finance to professional schools and colleges and also to colleges for

special education than to general education schools and colleges. These proportions for different types of education also reflect the extent of subsidization enjoyed by them.

Table - IVB

Proportion of Direct Expenditure met from
Government Funds

(By types of Management)

(In percentages)

Institution by management	Direct expenditure met from Government funds					
	First Level		Second Level		Third Level	
	1950- 51	1960- 61	1950- 51	1960- 61	1950- 51	1960- 61
Government institutions	95.5	97.3	75.1	85.4	75.6	81.5
Private aided institutions	69.8	79.5	31.4	42.3	38.3	42.5
Private unaided institutions	-	-	-	-	-	-

Table IVB shows that government institutions, whether of school or college level, rely heavily on government funds for meeting their educational expenses. At the first level of education, government funds more or less completely covered the direct expenditure. The proportion of the order of 95.5 in 1950-51 rose to 97.3 per cent in 1960-61. The corresponding proportions for the government secondary schools, were 75 per cent and 85 per cent in 1950-51 and 1960-61 respectively. For the government colleges, the proportion was 75.6 per cent in

1950-51 and 81.5 per cent in 1960-61. Thus four-fifths of the direct educational expenditure of government secondary schools and colleges was financed out of government funds. As against this, barring private aided elementary schools, the proportion of the direct expenditure met from government funds was much lower for private aided secondary schools and colleges. The proportion for the private aided elementary schools was 80 per cent in 1960-61, whereas both for private aided secondary schools and colleges, the corresponding proportion was around 42 per cent in 1960-61. However, the proportion of 42 per cent in 1960-61 was higher than that in 1950-51. For private aided secondary schools of general as well as professional type, the proportion was 31.4 in 1950-51 and that for private aided colleges was ^{38.3}~~35.7~~ per cent.

Table - IVC

Proportion of Direct Expenditure met from Govt. Funds

(By Types of Management)

(In percentages)

[illegible]

It can be seen from Table IVC that for both the types of institutions government and private aided, public revenue covered a higher proportion of the direct expenditure in 1960-61. For the government general education schools, the proportion rose to 82 per cent in 1960-61 from 68 per cent in 1950-51. For the government professional schools, the proportion was 95 per cent in both the terminal years of the previous decade. For the government general, professional and special colleges, the proportions of the direct expenditure met from government funds were 59 per cent, 82 per cent and 90 per cent respectively in 1950-51. The corresponding proportions were higher at 73 per cent, 84 per cent and 93 per cent respectively in 1960-61.

For the private aided general and professional schools, the proportion of the direct-expenditure financed out of government funds was of the order of 42 per cent and 47 per cent respectively in 1960-61. The corresponding proportions for the private aided general, professional and special colleges were ⁵⁷~~36~~ per cent, 52 per cent and 57 per cent respectively in 1960-61.

Thus, government funds are an important source of revenue to both government and private aided institutions at different levels of education. As we know already, these institutions are relatively more important in terms of enrolment.

III

In the previous chapter pertaining to the direct expenditure on education by type of management, it was observed that the government and private aided institutions figure importantly in terms of the proportion of direct expenditure, of the proportion of students and of the proportion of institutions.

It has also been observed that at the three levels of education, the direct expenditure per pupil is the highest in government institutions.

The average number of students per institution in the government and private aided general education schools is the same, but the direct expenditure per pupil of government general schools is higher by 10 per cent than that of private aided general schools.

For general education colleges, the private aided institutions spend nearly 20 per cent more per pupil than government institutions even though the average number of students per institution is lower for government colleges.

For professional schools, government institutions spend two times more per pupil than private aided institutions even though the average number of pupils per institution is larger in government institutions.

For professional colleges on the other hand, government institutions spend 64 per cent more per pupil than private aided institutions even though the average number of pupils per institution is larger in government institutions.

These observations can be taken to show that the government general and professional schools and colleges are more costly than the similar private aided schools and colleges.

The questions worth raising at this juncture are: What is the amount of financial resources which can be saved if it were possible to transfer the students now enrolled in government institutions to private aided institutions? How many more students can be enrolled with the help of the saving thus realised?

We have attempted three alternative estimates of the saving as well as of additional enrolment on the basis of the three alternative assumptions.

(A) Here it is assumed that the ^{direct expenditure} ~~total cost~~ per pupil in schools and colleges transferred from government to private aided type will be as for private aided institutes but tuition income per student in schools and colleges ~~thus~~ transferred will remain as for government schools and colleges and so also the income per student from private endowment and other sources.

The estimated amount of saving and the resultant increase in the enrolment capacity for general education schools and colleges and professional schools and colleges work out as follows :

Table - V

Types of schools and colleges	Amount of saving (Rs. Million)	Additional enrolment	Col.3 as the proportion of the total enrolment in 1960-61 % (4)
(1)	(2)	(3)	
General Education Schools	23.0	3,26,241	4.3
General Education colleges	- 11.8	- 31,193	-4.1
Professional Schools	43.3	2,21,483	55.0
Professional colleges	38.3	81,200	41.3

(B) Here the underlying assumption is that the ^{direct expenditure} ~~total cost~~ per pupil in schools and colleges transferred from government to private aided type is as for private aided institutions and also income per student from private endowment is as for private aided schools and colleges but tuition income per student still remains as for government schools and colleges.

Our calculations about the amount of saving and the additional enrolment are given below.

Table - VA

Types of schools and colleges	Amount of saving (Rs.million)	Additional enrolment	Col.3 as the proportion of total enrolment in 1960-61 %
1	2	3	4
General schools	48.7	7,91,870	10.5
General colleges	- 1.7	- 5,440	- 0.7
Professional schools	51.9	3,42,000	85.0
Professional colleges	48.6	1,27,292	65.5

(C) Finally it is assumed that the ^{direct expenditure} ~~total cost~~ per pupil, tuition income per pupil and income per student from private endowment in schools and colleges transferred from government to private aided type will be as for private aided institutions.

The estimated amount of saving and the consequent increase in the enrolment capacity work out as follows:

Table - VB

Types of schools and colleges	Amount of saving (Rs.million)	Additional enrolment	Col.3 as the proportion of the total enrolment (%)
1	2	3	4
General schools	103.7	28,00,000	37.3
General colleges	16.5	91,109	11.9
Professional schools	61.3	6,01,570	149.9
Professional colleges	53.9	1,63,800	84.3

When the emphasis is shifted from liberal education to professional education (i.e. when the amount of saving realised in general education schools or colleges is transferred to professional schools or colleges), the additional enrolment capacity of professional schools and colleges works out as follows.

Table - VC

Assumption	Additional enrolment		Col.2 as the proportion of total enrolment in 1960-61	
	Profess- ional schools	Profess- ional colleges	% Professional schools	Professional colleges
1	2		3	
A	1,17,647	-24,686	29.3	-12.7
B	3,21,452	- 4,447	80.1	- 2.3
C	10,17,664	50,061	253.6	25.7

For details See Table VI and VIA given at the end of the chapter.

For general education schools, the maximum additional number of students ~~are~~^{we} can enroll works out to 2.8 million or 37.3 per cent of the total enrolment of students in general education schools in 1960-61. The minimum for such schools is 0.3 million or 4.3 per cent. On the other hand for general education colleges, on the basis of the first two assumptions, there is a loss in financial terms on account of such transfer. As a result, less number of students will be accommodated.

Only on the basis of assumption C, there is a saving of the order of Rs.16.5 million. The additional enrolment amounts to ¹²per cent of the total enrolment in general education colleges in 1960-61.

For professional schools, the highest number of additional students who can be enrolled works out to 150 per cent of the total enrolment of students in professional schools in 1960-61. The lowest number of additional students who can be accommodated is estimated at 55 per cent.

For professional colleges, on the other hand, the minimum increase in the enrolment capacity will be of the order of 41.3 per cent and the maximum will be 84.3 per cent of the total enrolment.

The maximum additional enrolment in professional schools is estimated at as high as 254 per cent when the amount of saving realised in general education schools is transferred to professional schools. The minimum additional enrolment works out to 29.3 per cent. On the other hand in professional colleges, the maximum additional enrolment will be of the order of 26 per cent(See Table VIA).

Thus, there appears to be a large scope for the expansion of facilities in professional schools and colleges without providing for additional resources and also for vocationalising education by shifting emphasis from general education to professional education.

IV

Conclusions

Following important conclusions emerge from the above observations :

(1) The proportion of the direct expenditure ~~of~~ financed by the government increased whereas that met from tuition fees and private endowments and other sources declined.

(2) 98 per cent of the total number of elementary school going students were enrolled in government and private aided institutions where government (i.e. public sources) financed

as high as 94 per cent of the direct expenditure. Remaining 2 per cent of the students go to private unaided institutions where 50 per cent of the direct expenditure is financed out of tuition fees. Thus government is the most important source of financing elementary education.

(3) At the second level of education, 67 per cent of the students go to private aided and unaided institutions where 50 per cent of the direct expenditure is covered by tuition fees, 37 per cent by government funds and 13 per cent is met from private endowments and other sources. 33 per cent of the students go to government institutions where government funds account for 85 per cent of the direct expenditure and tuition fees for 14 per cent. Thus at the second level of education, government and tuition fees are two important sources of finance.

(4) 75 per cent of the college students were enrolled in private aided and unaided institutions relying, to the extent of 44.4 per cent on tuition fees, 39.0 per cent on government funds and 16.6 per cent on private endowments and other sources for covering their educational expenses. As against this, 25 per cent of the students go to government institutions where government is an important source of finance. Government financed 82 per cent of the direct expenditure and tuition fees financed the remaining 18.0 per cent.

(5) Tuition fees are an important source of revenue to general education schools and colleges. For general education schools and colleges, though the proportion of the direct expenditure financed out of government funds increased over the period, it was far below that of 80 per cent, 72 per cent and 66 per cent for professional schools and colleges and for special education colleges respectively. Thus the extent of subsidization is considerably higher for professional school and college education and for the colleges of special education.

(6) Our calculations show that at least on financial grounds, it is beneficial to transfer the students now enrolled in government institutions to private aided institutions. Such transfer would result, as is estimated, in a sizeable saving with the help of which a larger proportion of students can be enrolled (without providing for additional resources). Also there appears to be a large scope for vocationalising education by shifting emphasis from liberal education to professional education.

TABLE - I

Public Expenditure on Education by Sources (All Levels)
(In Rs. million)

Year	Total Public Expenditure in Current Prices			Direct Public Expenditure in Current Prices			Indirect Public Expenditure in Current Prices			Public Expenditure in Current Prices		
	Central State Govt. Boards			Dist. Muni- cipal Boards			Central State Govt. Boards			Dist. Muni- cipal Boards		
	1	2	3	4	5	6	7	8	9	10	11	12
1950-51	29.7	603.3	78.5	46.1	19.1	460.2	69.0	41.6	10.6	143.1	9.5	4.5
1951-52	39.6	643.5	85.2	53.4	22.2	511.6	75.3	48.6	17.4	131.9	9.9	4.8
1952-53	50.0	731.8	80.1	54.5	24.2	570.9	70.3	50.0	25.8	160.9	9.8	4.5
1953-54	47.4	782.1	86.5	58.0	27.4	604.8	76.2	53.3	20.0	177.3	10.3	4.7
1954-55	74.4	886.8	90.4	60.0	41.2	671.3	80.8	54.7	33.2	215.5	9.6	5.3
1955-56	108.7	1032.6	98.8	64.7	54.5	750.7	87.6	57.0	54.2	281.9	11.2	7.1
1956-57	125.9	1134.6	106.6	68.9	57.2	851.3	93.5	60.1	68.7	283.3	13.1	8.8
1957-58	148.8	1381.9	96.8	74.3	58.8	1033.8	84.2	64.3	90.0	348.1	12.6	10.0
1958-59	177.0	1556.0	85.2	78.9	80.9	1168.7	73.7	69.9	96.1	387.3	11.5	9.0
1959-60	214.6	1764.2	102.2	292.7	98.0	1305.6	90.4	80.7	116.6	458.6	11.5	12.0
1960-61	272.1	2022.2	117.9	105.8	116.6	1481.0	104.9	91.1	155.5	541.5	13.0	14.7

Decennial

growth rate	816%	235.2%	50.2%	130%	513.1%	221.8%	52%	119%	1367%	278.4%	42.1%	266.6%
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Source: Education in India - Vol.I and Vol.II - Ministry of Education, Government of India.

TABLE - II

Recorded Private Expenditure on Education By Sources (All Levels)
(In Rs. million)

Year	Total Private Expenditure in Current Prices		Direct Private Expenditure		Indirect Private Expenditure	
	Fees 1	Endowment and other sources 2	Fees 3	Endowment and other sources 4	Fees 5	Endowment and other sources 6
1950-51	232.6	124.0	216.1	74.9	16.5	49.1
1951-52	269.0	123.0	248.6	78.5	20.4	44.5
1952-53	296.3	132.4	276.5	85.6	19.8	46.8
1953-54	328.0	140.3	306.2	90.1	21.8	50.2
1954-55	352.4	149.8	327.3	95.5	25.1	54.3
1955-56	377.9	174.1	351.7	106.2	26.2	67.9
1956-57	399.7	181.7	373.1	115.6	26.6	66.1
1957-58	455.1	211.0	402.0	123.2	33.1	87.8
1958-59	482.7	228.3	441.7	144.3	41.0	84.0
1959-60	525.2	246.8	485.3	158.1	39.9	88.7
1960-61	588.5	278.0	549.1	171.9	39.4	106.1
Decennial growth rate	153.0%	124.2%	154.1%	129.5%	138.8%	116.0%

Source: Education in India - Vol. I and Vol.II - Ministry of Education, Government of India.

TABLE - III

Financing of Direct Expenditure By Type of Management (In Percentages)
(According to Levels of Education)

Institution by Management	First Level of Education			Second Level of Education			Third Level of Education											
	Direct expen- diture met from public revenue	Direct expendi- ture met tuition income	Direct expendi- ture from private endow- ment income	Direct expendi- ture from public revenue	Direct expendi- ture met from tuition income	Direct expendi- ture from private endowment income	Direct expendi- ture met from public revenue	Direct expendi- ture from tuition income	Direct expendi- ture met from endowment income									
	50- 51	60- 61	50- 51	50- 51	60- 61	50- 51	50- 51	60- 61	50- 51	60- 61								
Government	95.5	97.3	3.1	1.3	1.4	1.4	75.1	85.4	23.1	14.0	1.8	0.6	75.6	80.5	18.9	17.5	5.5	2.0
Private	69.8	79.5	14.5	11.4	15.7	9.1	31.4	42.3	54.0	46.3	14.6	11.4	38.3	42.5	44.1	44.4	17.6	13.1
Private unaided	-	-	40.9	49.2	59.1	50.8	-	-	75.3	78.6	24.7	21.4	-	-	77.0	64.3	23.0	35.7

Source: Education in India - Vol. II, Tables VA and VB - Ministry of Education, Government of India.

TABLE - IIIA
Financing of Direct Expenditure By Type of Management
(According to Types of Education) (In Percentages)

Institution by management	General Education Schools				Professional				Education Schools			
	Direct expen- diture finan- ced by the government		Direct expen- diture cover- ed by the tuition fees		Direct expen- diture finan- ced by the government		Direct expen- diture cover- ed by the tuition fees		Direct expen- diture met from private endowment income		Direct expen- diture met from private endowment income	
	1950- 51	1960- 61	1950- 51	1960- 61	1950- 51	1960- 61	1950- 51	1960- 61	1950- 51	1960- 61	1950- 51	1960- 61
Government	67.7	81.8	31.2	17.6	1.1	0.6	95.1	95.0	3.4	4.7	1.5	0.3
Private aided	35.7	41.9	52.0	47.2	12.3	10.9	40.0	46.9	22.5	32.0	37.5	21.1
Private unaided	-	-	78.6	78.1	21.4	21.9	-	-	82.4	82.3	17.6	17.7

TABLE - IV
Financing of Direct Expenditure, Total & Per Pupil - 1960-61
(Original Position)

Type of Management	Direct Expenditure Financed out of :-						
	Public Revenue		Total Income		Private Endowment and other sources		Grand Total
	Total (Rs. Million)	Per Pupil (Rs.)	Total (Rs. million)	Per Pupil (Rs.)	Total (Rs-Million)	Per Pupil (Rs.)	
<u>(I) General Education Schools</u>							
Government	192.9	80.4	41.7	17.3	1.4	0.6	236.0 98.3
Private aided	170.0	37.0	192.0	41.8	44.0	9.6	406.0 88.4
<u>(II) General Education Colleges</u>							
Government	41.7	300.3	13.9	100.1	1.3	9.4	56.9 409.8
Private aided	105.9	181.1	135.3	231.5	44.0	75.2	285.2 487.8
<u>(III) Professional Schools</u>							
Government	80.9	420.9	4.0	20.8	0.2	1.3	85.1 443.0
Private aided	10.7	101.9	7.3	70.0	4.8	45.7	22.8 217.6
<u>(IV) Professional Colleges</u>							
Government	87.8	855.6	14.3	139.9	1.9	18.3	104.0 1013.7
Private aided	25.1	329.6	14.6	192.1	8.7	114.5	48.4 636.2

TABLE - V
Financing of Direct Expenditure, Total and Per Pupil - 1960-61
(Estimated)

Types of Schools and Colleges	Direct Expenditure Financed Out of :-							
	Public Revenue		Tuition Income		Private Endowment and other sources		Grand Total	
	Total (Rs. million)	per pupil (Rs.)	Total (Rs. million)	Per pupil (Rs.)	Total (Rs. million)	Per pupil (Rs.)	Total (Rs. million)	Per pupil (Rs.)
I - Based on Assumption A								
General Education Schools	169.9	70.5	41.7	17.3	1.4	0.6	213.0	88.4
General Education Colleges	53.5	378.3	13.9	100.1	1.3	9.4	67.7	487.8
Professional Schools	37.6	195.5	4.0	20.8	0.2	1.3	41.8	217.6
Professional Colleges	49.0	478.0	14.4	139.9	1.9	18.3	65.3	636.2
II - Based on Assumption B								
General Education Schools	148.2	61.5	41.7	17.3	23.1	9.6	213.0	88.4
General Education Colleges	43.4	312.5	13.9	100.1	10.4	75.2	67.7	487.8
Professional Schools	29.0	151.1	4.0	20.8	8.8	45.7	41.8	217.6
Professional Colleges	39.2	381.8	14.4	139.9	11.7	114.5	65.3	636.2
III - Based on Assumption C								
General Education Schools	89.2	37.0	100.7	41.8	23.1	9.6	213.0	88.4
General Education Colleges	252.2	181.1	32.1	231.5	10.4	75.2	67.7	487.8
Professional Schools	19.6	101.9	13.4	70.0	8.8	45.7	41.8	217.6
Professional Colleges	33.9	329.6	19.7	192.1	11.7	114.5	65.3	636.2

Note: This table is prepared on the basis of Assumption A, B and C spelled out in the text.

TABLE - VIA

Estimated Amount of Saving and Additional Enrolment of Students

Assump- tion	Amount of saving in general education schools (Rs. million)	Public expendi- ture per pupil in profess- ional schools (Rs.)	Additional enrolment in profes- sional schools (1 ÷ 2)	Col.4 as the pro- portion of total enrolment in profes- sional schools in 1960-61	Amount of saving in general education colleges (Rs. million)	Public expendi- ture per pupil in profess- ional colleges (Rs.)	Additional enrolment in profes- sional colleges	Col.8 as the proportion of the total enrolment in professional colleges in 1960-61
1	2	3	4	5	6	7	8	9
A	23.0	195.5	1,17,647	29.3	-11.8	478.0	-24,686	-12.7
B	48.7	151.1	3,21,452	80.1	- 1.7	381.8	- 4,447	- 2.3
C	103.7	101.9	10,17,664	253.6	16.5	329.6	50,061	25.7

Notes: Col.1 - Stands for the three alternative assumptions spelled out in the text.

Cols.2 and 6 - Based on Cols.4,10 and 16 of Table VI.

Cols.3 and 7 - Based on Cols.5, 11 and 17 of Table VI.

Cols.4 and 8 - Obtained by dividing the amount of saving by the public expenditure per pupil.

Cols. 5 and 6 - Refer to the proportion of additional enrolment to total enrolment in 1960-61.