Market economics, education policy and inclusive experiment

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Abstract
Market fundamentalism rules the roost in Indian society by encouraging the private sector to have a dominant say in most sectors of the economy. This has improved the Gross Enrolment Ratio (GER) significantly in the higher education segment. Initiatives like Right to Education (RTE) Act (2009) and Sarva Sikshya Abhiyan (SSA) have ensured high universal access in primary education. However social exclusion remains unacceptably high levels for SC/ST. Private sector initiatives, even after initiation of Corporate Social Responsibility (CSR) in the field of education, remain significantly unsatisfactory unlike the experience in the USA. The paper brings out the inadequate impact of state initiatives on equity and quality and brings out the findings at ASER in regard to quality and infrastructure deficits. The unique experiment of Kalinga Institute of Social Sciences (KISS) Odisha, a private sector initiative to minimize gender disparity, bolster employment opportunity and empowerment stand in sharp contrast to the prevailing apathy to education and is a template for replication.

Keywords: GER, RTE, SSA, CSR, ASER, KISS

Introduction
The Washington consensus was reached with the dismantling of the Berlin Wall and disintegration of USSR. Francis Fukuyama’s “End of History” celebrated the victory of liberal democracy. The ideological underpinning of neo liberalism was articulated by Friedrich Hayek who called for “freedom from constraints of the state, promotion of competition, extensive privatization and disinvestment”. India started its neo liberal policy in a half hearted manner in the 1990s. However, in the last decade it has eschewed hesitancy of the past and has dismantled of the Planning Commission as it was emblematic of a socialistic legacy. Under the neo liberal regime the growth indicators show significant improvement, while the human development parameters seem to be grossly unsatisfactory despite a number of affirmative action’s like Right to Education, Sarva Sikshya Abhiyan, Right to Food, Mid Day Meal, MGNREGA, CSR etc. This paper attempts to analyze (a) policy foot prints in education since independence, (b) impact on equity and quality (c) private sector initiatives in education (d) social inclusion initiatives in KISS, Odisha

Policy Initiatives in Education
The 12th Five Year Plan (2012-17) inked a definitive strategic framework in higher education by highlighting the tripod of Equity, Access and Quality. The strategy framework is underlined below.

The 12th plan approach is a shift towards learner centric and learning outcome with an emphasis on quality of teaching and research. It also emphasized on availability, retention and recruitment of qualified faculties to meet the growing need of faculties and upgrade the skills of existing faculties and you built bridge between teaching and research with a linkage towards practical use in economy.

Recommendations of Commissions (2000-1012)
Ambani-Birla envisioned the creation of a knowledge based economic and society, induce competitiveness yet foster cooperation. The report championed the principle of use pay policy supported by loan schemes and financial grants for economically backward section.
Government should support and partially fund centres of higher learning, provide financial Guarantee to student loan, ensure uniformity in content and quality and education development planning. While proposing to legislate private universities bill to encourage establishment of new private universities in the field of science and technology, management and finance area. The report also propounded foreign direct investment but limited to science and technology and research should start from the undergraduate level with a independent rating agency for universities which is linked to funding. Moreover excessive regulations discourage private spending, encourage freedom in operation and flexibility to innovate, with the report emphasizing that the government should play the role of a facilitator.

**Fig 1:** Strategy Framework of 12th Plan  
**Source:** 12th Five Year Plan 2012-2017, Social Sectors Volume-III, Planning Commission, Government of India, Page 91

**Sam Pitroda Knowledge Commission (2009)**
Some of the striking features of the Knowledge Commission are growth of private and foreign universities and reduced role of the state. The commission also recommends expansion of the number of universities to 1500 in the country. The assumption is based on the fact that there are about 350 universities with enrolment of 10 million students so four times increase in enrolment will need four times increase in number of universities. The commission also recommends the establishment of 50 national universities by government or by private sponsoring bodies to be set up by society or trust or section 25 companies. The commission preference seems to be of private universities. The commission also strongly put forward reduced role of the UGC and recommended the establishment of an independent regulatory authority for higher education (IRAHE). The commission also recommended added 1.5% of GDP to higher education and that students fees should meet 20% of the total expenditure of the university. The commission further recommends autonomy for the universities to set student fee levels, and commercial use of university facilities, the government providing land and private sector finance to attract not for profit private investment.

**Narayan Murthy Report (2012)**
The areas identified by the Narayan Murthy report are quality deficiency, quantity mismatch and funding gaps. The NMR argues that many challenges faced by the government remain unsolved because of the scarcity of resources which is the biggest factor for alluring corporate sector to invest in higher education through direct ownership, collaboration through research, faculty development, infrastructure creation, student scholarship and governance. In 2011-2012, the planning commission draft notes that it has spent 1.22% of its GDP in higher education and it's interesting to note here that in recent year’s house hold investment by the private sector is more than the government spending on higher education. Sadly no new education policy has so far been announced after 1992 and the number of useful recommendation that have been made since then.

**Trends in Central Spending On Education & Impact on Human Development Index**
The following table brings out the trends in central government spend both in school and higher education.

**Table 1: Trends in Central Spending on Education (Rs. Cr.)**

<table>
<thead>
<tr>
<th>Parameter</th>
<th>2014-15</th>
<th>2015-16</th>
<th>2016-17</th>
<th>% increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Education</td>
<td>45722</td>
<td>42186</td>
<td>43554</td>
<td>+3</td>
</tr>
<tr>
<td>Higher Education</td>
<td>23152</td>
<td>25399</td>
<td>28840</td>
<td>+14</td>
</tr>
<tr>
<td>Total</td>
<td>68874</td>
<td>67585</td>
<td>72394</td>
<td>+7</td>
</tr>
</tbody>
</table>

**Source:** India’s Budget Document 2016-2017

**Fig 2:** Trends in Central Spending on Education  
**Source:** India’s Budget Document 2016-2017

It would be seen that the overall allocation is around 3% of GDP and shows no real increase in the present year’s budget. This is much lower than both public allocation by developed and EMEs as the table below will indicate that expenditure on R&D also abysmally low.

**Table 2: HDI, GII & Public Expenditure % on Education**

<table>
<thead>
<tr>
<th>Country</th>
<th>GNI at PPP ($)</th>
<th>HDI</th>
<th>Public Expenditure as % of GDP</th>
<th>Percentage of Expenditure on R&amp;D</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>52947</td>
<td>0.915</td>
<td>5.2</td>
<td>2.8</td>
</tr>
<tr>
<td>Germany</td>
<td>43919</td>
<td>0.916</td>
<td>5.0</td>
<td>2.9</td>
</tr>
<tr>
<td>Japan</td>
<td>41187</td>
<td>0.891</td>
<td>3.8</td>
<td>3.4</td>
</tr>
<tr>
<td>Korea</td>
<td>33890</td>
<td>0.898</td>
<td>4.9</td>
<td>4.0</td>
</tr>
<tr>
<td>China</td>
<td>12547</td>
<td>0.777</td>
<td>3.7</td>
<td>2.8</td>
</tr>
<tr>
<td>India</td>
<td>5997</td>
<td>0.609</td>
<td>3.8</td>
<td>0.8</td>
</tr>
</tbody>
</table>

**Source:** Human Development Report -2015

Inadequate allocation to education has significantly affected the Human Development Index of India which remains at around 0.58% with India ranking 137 of 167 countries as per HDR 2015.

**Impact on Equity and Quality**

**Impact on Equity**
Despite liberalization, the disadvantaged groups like SC/ST remain largely deprived of the fruits of human development. The following table brings out the picture.
Impact on Quality

Despite the significant numerical increase in college enrolment through private sector interventions since 2001, the quality of research, patents granted and highly cited articles remain very poor compared to the global standards as the following tables will bring out.

Table 4: Quality of Research Institution, Industry Collaboration & Patents

<table>
<thead>
<tr>
<th>Country</th>
<th>Quality of Research Institutions</th>
<th>Industry Collaboration</th>
<th>PCT Patents Granted/ (Million)</th>
<th>Highly Cited Articles</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>5.8</td>
<td>5.6</td>
<td>137.9</td>
<td>3137</td>
</tr>
<tr>
<td>China</td>
<td>4.2</td>
<td>4.4</td>
<td>6.5</td>
<td>980</td>
</tr>
<tr>
<td>India</td>
<td>4.4</td>
<td>3.8</td>
<td>1.2</td>
<td>191</td>
</tr>
</tbody>
</table>

Source: YuXie Chunni Zhang et al. at National Academy of Sciences, 2014

Social Inclusion Initiatives in Kiss, Odisha

- Quality Education with a special focus on girl child education

KISS has been able to address many of the social and health issues like child marriage, infant mortality and maternal mortality etc. Girls in the indigenous communities are generally married off at an early age. They have little or no knowledge about their bodies and healthy sexual and reproductive practices, leading to high maternal mortality and infant mortality in these communities. Since the girls pursue education at KISS they free from the societal pressure of marrying at an early age. The girls are also provided counseling and education on their sexual reproductive health and rights which enables the girls to have a better understanding of their own bodies and healthy sexual and reproductive practices. This in turn has led to reduction of maternal mortality and infant mortality among them, which is very high on an all India basis as brought out at Table 4 above.

- Hunger & health alleviation

The greatest achievement has been the ability to provide three nutritious meals each day to all students. Indigenous communities also have lower levels of awareness on health issues which is a major reason why children are subjected to many serious diseases and illnesses such as Kwashiorkor, Marasmus, Tuberculosis, hookworm and ringworm infestation. Malnutrition and under nutrition is highly prevalent among the children in these communities. Conditions like Kwashiorkor and Marasmus arise due to vitamin and protein deficiencies in the body. KISS ensures that the diet provided is enriched with vitamins, proteins, minerals and carbohydrates.

ASER Findings on Quality of Primary Education

The Annual Survey of Educational Research (ASER) Report 2014 flags the myriad problems that afflict the primary schools run by the government in different states and all India. Tables below bring out both the infrastructural and academic deficit that bedevils this critical sector.

Table 6: Infrastructure Facilities: Trends

<table>
<thead>
<tr>
<th>Parameter</th>
<th>All India</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
</tr>
<tr>
<td>Play Ground</td>
<td>62.2</td>
</tr>
<tr>
<td>Library Books Available</td>
<td>62.6</td>
</tr>
<tr>
<td>Drinking Water</td>
<td>72.2</td>
</tr>
<tr>
<td>Girls Toilet</td>
<td>32.9</td>
</tr>
<tr>
<td>Computer Available</td>
<td>15.8</td>
</tr>
</tbody>
</table>

Source: ASER Report 2014

Academic Progress in Primary School: 2014

- Only 58% of children enrolled in classes 3 to 5 can read a class-1 text
- Less than half (47%) are able to do a simple two-digit subtraction
- Only 37% of children enrolled in class 4 or 5 can read fluently
- Less than half (45%) are able to divide 20 by 5
- Reading and Maths skills of class 4 pupils in India’s top schools are below the international average

It would thus be seen that public initiatives like Digital India, Smart Cities and Skill India are not being realized through the statutory act of RTE 2009. Besides, almost 30% of the...
students now gravitating towards private schooling, which offer better teaching in terms of English and other facilities.

Concluding Thoughts
In the neoliberal times that India is passing through, the momentum for GDP growth, Digital India, Smart Cities are not matched by adequate concern for quality teaching, basic infrastructure at the primary level in public schools allocation adequacy for education. This has cascading impact on higher education, which is presently driven predominantly by the greed and avarice of the private sector. Allocation to research and development is quite clearly a low priority in both public and private universities. Public policy is presently geared towards bolstering elite institutions like the IITs & IIMs, neglecting 95% of government universities which are inadequately funded and have scant concern for research and academics. In the absence of a new educational policy, the CSR initiatives are limited to a few philanthropists like Azim Premji Foundation. This is in sharp contrast to the corporate sector support in countries like USA which has seen the emergence of quality education hubs like MIT, Harvard Business School and Yale. Given this backdrop of public apathy, the initiative in KISS, Odisha where the social outcasts like the tribals find an ideal sanctuary empowerment is indeed heartening and worthy of emulation. The Oslo Summit (2015) underlined the paramount need for improving quality and inculcating a proper value system in children. Bereft of these, pure seriously market economics can dent our resolve to be a developed nation.

References
1. 12th Plan Document, Government of India