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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 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 Report (2000)

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.

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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 under graduate 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.

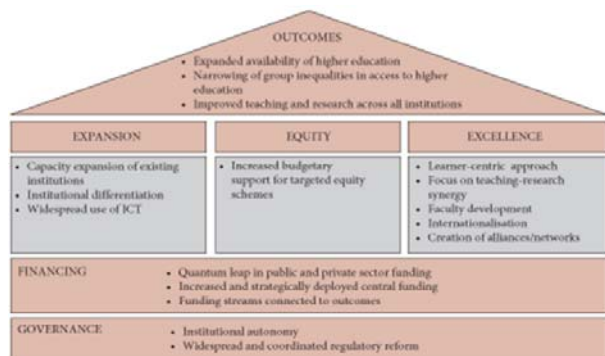


Fig 1: Strategy Framework of 12th Plan

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 as 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.)

Parameter	2014-15	2015-16	2016-17	% increase
School Education	45722	42186	43554	+3
Higher Education	23152	25399	28840	+14
Total	68874	67585	72394	+7

Source: India's Budget Document 2016-2017

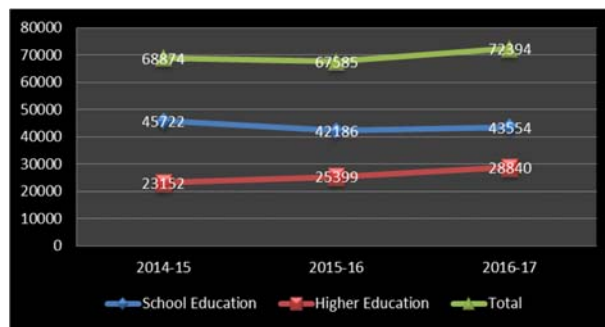


Fig 2: Trends in Central Spending on Education

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

Country	GNI at PPP (\$)	HDI	Public Expenditure as % of GDP	Percentage of Expenditure on R&D
USA	52947	0.915	5.2	2.8
Germany	43919	0.916	5.0	2.9
Japan	41187	0.891	3.8	3.4
Korea	33890	0.898	4.9	4.0
China	12547	0.777	3.7	2.8
India	5997	0.609	3.8	0.8

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.

Table 3: Trends of Literacy - General Category & SC/ST

Literacy	1981	1991	2001	2011
All India Rural	36.01	44.69	58.74	68.91
All India Urban	67.23	73.08	79.92	84.98
SC	21.38	37.41	54.69	56.49
ST	16.35	29.60	47.10	49.52

Source: Registrar General of India, MHA

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

Country	Quality of Research Institutions	Industry Collaboration	PCT Patents Granted/ (Million)	Highly Cited Articles
USA	5.8	5.6	137.9	3137
China	4.2	4.4	6.5	980
India	4.4	3.8	1.2	191

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

It would thus be clear that while RTE as a fundamental right has ensured universal access, equal opportunity to the disadvantaged section and quality of learning and research in our university system remain highly unsatisfactory.

Private Sector Initiatives in Education

Corporate sector involvement in the educational sector has contributing significant growth of universities like Harvard, MIT & Yale which hold the benchmark of excellence in to the research, teaching and innovation. In India, barring sporadic efforts by the Aziz Premji Foundation, Tata’s, Birla’s such initiatives have been few and far between by the private sector despite contributing 72% of India’s GDP. Besides, the CSR initiatives for deprived and alienated segments like STs have been rather non-existent. In this backdrop the KISS experiment to minimize social exclusion and empower STs through education holds an important template for public policy.

KISS was established in 1993 with a view to empowering the disadvantaged through holistic education, gender equality and sustainable livelihood. Odisha is home to 22% of tribal population as against a national average. Their literacy percentage is 47% which is nearly 17% behind the national average. Besides gender disparity is quite pronounced. Home to 22,000 tribal children KISS has excellent infrastructure for the students like computer lab for 600 students, well stocked library with 20,000 books, 100 bedded hospital, solar power, and WIFI campus imparts vocational training and believes in the philosophy of earning while the students learnt. The performance of students of KISS is far better than their counterparts in the state board as the following table will bring out.

Table 5: Academic Achievement: KISS Vs. State School

Examination	10-11	11-12	12-13	13-14	State School
HSE	90%	100%	90%	90%	60-70%
CGSE	84%	100%	97%	95%	60-70%

Source: Annual Reports: KISS

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

Parameter	All India	
	2010	2014
Play Ground	62.2	65.0
Library Books Available	62.6	78.1
Drinking Water	72.2	75.6
Girls Toilet	32.9	55.7
Computer Available	15.8	19.6

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.

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