

**What Is Wrong With  
Kerala's Education System?**

**K.K. George and N.Ajith Kumar**

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**Centre for Socio-economic & Environmental Studies**

**Khadi Federation Building, NH By-Pass, Padivattom, Edappally - 682024, Kerala, India,**

**Tel: 0484-2805107, 2805108. Email: [csesind@md4.vsnl.net.in](mailto:csesind@md4.vsnl.net.in), [www.csesindia.org](http://www.csesindia.org)**

## **Introduction**

Kerala's achievements in the field of education - near total literacy, free and universal primary education, low drop out rate at the school level, easy access to educational institutions, gender equality in access etc. - are well known. In these respects, Kerala is often compared not only with the other Indian states or developing countries but also with some of the developed countries.

These achievements of Kerala, no doubt laudable, belong to the past. Today, they serve only to conceal some of the serious deficiencies and inefficiencies of Kerala's educational system. These, to some extent, may explain the paradox of Kerala's slow rate of economic growth despite its high level of educational and social development. In the absence of adequate returns on the huge investments made, Kerala's educational system is slowly becoming a drag on its economy. It is no longer a change agent in Kerala society.

It is not as though we are unaware of the contribution of education, particularly women's education to the laudable health status of Kerala. The higher educational level has also helped the state in arresting population growth and bringing about the much acclaimed demographic transition. Its contribution to the large scale migration of people whose remittances today sustain the Kerala economy also cannot be minimised. Obviously, Kerala's education system played a major role in the past. But the question that is increasingly being posed is whether it can continue to play a major role in the future without keeping up with the vast changes taking place in all disciplines. It must also keep abreast of the changes in the economy, both national and international. It looks as though the mammoth educational system has become very obsolete and inflexible and therefore is unable to perform in the changed context.

## **Importance of Education in Kerala Economy**

Kerala's education system has emerged as the single largest economic activity of the state. Government expenditure on education as a ratio of the state domestic product despite decline in recent years is one of the highest in the country. Education accounts for more than one third of the total revenue expenditure of the state. The per capita expenditure on education is the second highest among states in India.

Nearly one fifth of the population are students. Education sector is also one of the biggest employers in the state. The number of teachers form more than 50 per cent of the total number of workers in registered factories. The teachers constitute nearly 18 per cent of the total employment in the organised sector. In the ratio of teachers to total workers, Kerala's position is at the top<sup>1</sup>. Questions are now being raised whether investment of such massive scale has really yielded commensurate returns in terms of economic development and if not, what are the reasons for the unproductiveness of the system?

The importance of a vibrant, modern educational system to its economy is more in the state than elsewhere. The near absence of minerals, metals, coal and petroleum resources places constraints on material and fuel intensive industries in the state. Due to the high density of population (second highest among the

states in India), polluting chemical industries can no longer be started in the state. Due to the same reason, land has become unavailable and land prices have shot up which precludes industries which require large tracts of land. Because of the above constraints, it is essential that the state concentrate on knowledge intensive industries and services. One of the pre-requisites of such a strategy of development will be the development of a modern, diversified educational sector.

### **Relevance to the Production System**

The educational system of Kerala has evolved in response to the need for numeracy and literacy created by the commercialisation of agriculture and resultant trade, both domestic and international. Societal demand for education was also generated by social reform movements, missionary activities and peasants and workers' movements. Educational institutions were started in large numbers to meet these increasing demands by almost all castes and communities which got modernised as a result of social reform movements. There was some degree of competition among them in starting educational institutions. The government also responded to the societal demand by starting institutions of their own. But the emphasis of all these institutions was on general education rather than on vocational or technical education. It may be that the nature of job market prevailing then required only general education. Perhaps, the limited economic growth in the state permitted only expansion in less capital intensive pursuits like school education and general education at higher levels.

In the process of catering to the limited segments of white collar job markets within the state and outside, education in Kerala 'remained frozen as an inert academic exercise'<sup>ii</sup>. The system got de-linked with the production processes within the state. This, in turn, led to the divorce of the mental labour from physical labour. This dichotomy is visible in Kerala leading to an obsession with secure white collar jobs and a general reluctance to undertake manual labour.

Educational needs like family improvement, community improvement and skills development received only marginal importance in the state. "Experiments to combine vocational activity with academic pursuits really did not take off. Vocationalisation, with its stress on labour skills, was out of tune with the dominant middle class concern of social advancement."<sup>iii</sup> Sporadic attempts for vocationalisation of education as a separate component also failed due to faulty implementation as also social resistance.

Long years of schooling also led to de-skilling of children. The students failed to master the traditional skills normally acquired by a process of apprenticeship. The school curriculum failed to equip the students with either traditional skills or modern skills. The 'de-skilling by education', together with the disdain for manual labour inculcated at the schools and colleges has resulted in the 'paradox of scarcity of labour' in a state where the unemployment rates are the highest. Kerala's requirements for unskilled and skilled labour today are increasingly met by the migrant labour from neighbouring states.

Higher education system has not been rooted in Kerala economy and society. The curriculum was never adapted to the needs of Kerala economy. There is very little interaction between educational institutions

and industry. Besides, these institutions lay emphasis only on traditional courses in arts and science subjects. Knowledge explosion taking place in science, technology and management and the trend of increasing specialisation have not influenced, to any large extent, the state's higher education system. In the past, Kerala's educational system, unconsciously perhaps, had been attuning to the changing requirements of job markets outside the state. But now, the capacity of Kerala's formal education system to respond to the qualitative changes taking place in the job markets in India and abroad has come down. The failure of the public systems of education to add new specialisations to existing courses and start new courses in emerging areas has led to migration of students to other states. Within the state, it was the agencies not linked to the universities and colleges that largely met the demand in fast growing areas like computer education, travel and tourism, hotel management etc. It may be noted that in many other countries, such courses are run by Community Colleges and Polytechnics.

The pedagogic practices followed by Kerala's educational system are equally outmoded. They do not take into account either the social or the physical realities of Kerala. They are entirely teacher oriented and non-participatory. They encourage only rote learning. The result is the stifling of curiosity, creativity and initiative of both the students and teachers.

### **Deteriorating Quality**

As noted earlier, Kerala's educational system expanded substantially in response to societal demand. Social, religious and political groups acted as pressure groups for starting new institutions. But in this process of increasing the numbers, Kerala's educational system had neglected quality. What is more, the quality standards have been coming down steeply at all levels of education in recent times.

### **Literacy**

It is true that Kerala has attained near total literacy and is far ahead of most other states. In the absence of major post literacy campaigns, there seems to be a relapse in the case of adults who had been made literate by intensive literacy campaigns. Kerala's first position in literacy is now taken over by Mizoram. Further, the literacy rates among scheduled castes (69.4 %) and scheduled tribes (48.6%) continues to lag considerably behind the literacy rates for the total population of the state (89.8%).

### **Elementary Education**

Kerala has made major achievements in school enrolment at the primary level and in preventing drop outs, thanks to the pioneering government funded programmes like Noon Meal Scheme. But even in the case of discontinuation rates of the children in the age group 6-14 years, the position of SC/ST students is higher than their counterparts in states like Bihar, Uttar Pradesh, Himachal Pradesh, Rajasthan and North-Eastern region.<sup>iv</sup> Some of the qualitative aspects of Kerala's primary education are equally distressing. This is despite the fact that the annual household expenditure on elementary education per student is one of the highest in the country ( Rs 586 in Kerala as against Rs 378 at the national level).<sup>v</sup> A recent study by the NCERT showed that Kerala

ranked very low among the Indian states in terms of learning achievement of primary school children.<sup>vi</sup> About 30 per cent of the children who complete primary school do not reach the necessary achievement levels in literacy and numeracy. The NCERT study comes to the conclusion that serious measures are called for to improve the teaching/learning process in order to enhance learner achievements. Although the achievements in terms of expansion of schools and enrolment are impressive, many of the schools do not have adequate infrastructural facilities. Many of them are run in old dilapidated buildings and thatched sheds. Many of them lack even drinking water facilities, latrines and urinals.

### **Secondary Education**

While the drop out rates are very low in primary schools, the same increases in the ninth and the tenth standards in Kerala. This is particularly true about SC/ST students. The progress of a sample cohort in schools showed that only 73 per cent of the students joining Standard I reach the tenth Standard. In the case of scheduled caste students, only 59 per cent reach the tenth standard. Sixty per cent of the scheduled tribe students drop out by the tenth standard.<sup>vii</sup>

Another major indicator of the inefficiency of Kerala's school education system is the large scale failure of the students in the matriculation examination. Only about 50% of the students who appear for the examination get through in spite of liberal valuation and provision of grace marks. Only one third of the children who joins the first standard passes the matriculation examination.<sup>viii</sup>

The large scale drop outs in the ninth and the tenth standards as also the high percentage of failures at the matriculation level is a manifestation of the low level of preparation of the students till then and their consequent inability to cope up with even the modest sifting procedures. The state thus faces the problem of a large number of children, 15 or 16 years of age, being rejected by the school system.<sup>ix</sup> An analysis of the average marks for various subjects in the standard X examination further illustrates the poor quality of Kerala's secondary education system. The average marks are; Malayalam 26; Mathematics 18; English 15; Hindi 22; General Science 26.5; social studies 20.5.<sup>x</sup> A recent study has shown that 44% of the students in standard nine gets less than 40% marks even for Malayalam, their mother tongue. More than 70% gets less than 40% marks for mathematics and English.<sup>xi</sup> In the vocational higher secondary system, the failure rate is around 40 per cent.

The poor academic standards are understandable in view of the poor infrastructure and other facilities. Secondary schools with full time librarian in Kerala form only 5.3% as against the national average of 10.5%. The schools in the state with full time trained librarians form only 1.7 % as against the national average of 7.0%. The percentage of higher secondary schools with full time librarian is only 17.8% in Kerala against the national average of 39.2%. The percentage of higher secondary schools with full time trained librarians in Kerala (11.9%) is also lower than the national average (30.3%). The percentage of secondary schools with separate laboratory facilities constitute only 4.4 % against the national average of 12.6%. Higher secondary schools with separate labs formed 62.1% in Kerala against 64.4% at the national level.<sup>xii</sup>

In addition to the students enrolled in the Plus 2 schools and colleges, an equal number is registered privately for Pre-degree in various universities. These privately registered students could not and do

not pursue their studies properly because of the lack of proper teaching and guidance. The results of the privately registered candidates are consistently lower than their counterparts in regular courses. Only 27% of the privately enrolled students passed in 1995 as against 55% of those enrolled in regular courses.<sup>xiii</sup>

## Higher Education

In the field of higher education, Kerala lags behind not only in qualitative terms, but also in quantitative terms. The demand for tertiary enrolment in absolute terms is much higher in Kerala due to large scale school level enrolment. Besides, the existing unemployment rates reduce the opportunity costs for pursuing higher education which, in turn, push up the demand for higher education. As may be seen from Table 1, the percentage of students going for higher education to the students in the secondary/higher secondary schools was only 13.8% for Kerala against 22.9% for the country. In this respect, Kerala's rank is only 24 out of the 26 states in India. Percentage of students in the degree courses to the students in Plus 2 classes was only 26% as against 49.2% for the country as whole. In this respect also, Kerala's rank was 24. However, the percentage of students going for post graduate courses to students studying in the degree classes was marginally higher in Kerala (11.8%) than in the country as a whole (9.6%).<sup>xiv</sup>

Table 2: Ratio of Enrolment at the Higher Education Level to Secondary/Hr.Secondary Level Enrolment - 1997-98.

State	Sec/Hr.Sec	Higher Education	Ratio of Hr. Edn to Sec/ Hr. Sec	Rank
Andhra Pradesh	1823392	355840	19.5	17
Arunachal Pradesh	26137	3993	15.3	23
Assam	844679	180134	21.3	15
Bihar	1486685	639421	43.0	2
Goa	60831	15138	24.9	9
Gujarat	1312365	385872	29.4	4
Haryana	587497	126346	21.5	13
Himachal Pradesh	277056	61639	22.3	12
Jammu & Kashmir	227705	48226	21.2	16
Karnataka	1968425	441220	22.4	11
<b>Kerala</b>	<b>1301189</b>	<b>179502</b>	<b>13.8</b>	<b>24</b>
Madhya Pradesh	2039017	275045	13.5	25
Maharashtra	3442131	899786	26.1	8
Manipur	68815	43998	63.9	1
Meghalaya	452091	12956	28.6	6
Mizoram	28363	8479	29.9	3
Nagaland	38560	5981	15.5	22
Orissa	1298000	154590	11.9	26
Punjab	720768	174857	24.3	10
Rajasthan	1181483	185995	15.7	21
Sikkim	10108	1657	16.4	19
Tamil Nadu	2216077	355550	16.0	20
Tripura	83550	15360	18.4	18
Uttar Pradesh	3239513	949812	29.3	5
West Bengal	1557569	411795	26.4	7
Delhi	125019	267798	21.4	14
All India	27240743	6236183	22.9	

Source: Annual Report 1998-99, Department of Education, Ministry of

Human Resource Development, Government of India.

The efficiency of the higher education system is also a matter of serious concern. The drop-out rate at the degree level in arts & science colleges is estimated to be around 30% by the third year of the course. An analysis of the results of examinations conducted by Kerala University during the five year period (1991-92 to 1995-96) shows the following failure rates; Pre-degree - 60%, BA - 38%, MA -59%, BCom - 69%.<sup>xv</sup>

The major malady afflicting higher education in Kerala is its failure to maintain standards. Many of the institutions do not have competent faculty and lack even minimum facilities. But they exist and continue to impart sub standard education.

### **Technical Education**

The mismatch between demand and supply is more pronounced in this sub segment. The technical education in Kerala has a very narrow base. Many of the courses with good potential for employment are not available in Kerala. Another major missing link is the absence of any all India level institution like the IITs, Central Universities, research institutions etc.

The intake capacity in graduate engineering courses has not kept pace with the demand from eligible candidates. The percentage of seats in engineering colleges per thousand Plus 2 students who hold a first class was only 23.0 as against 27.1 in the country. In this respect, Kerala lagged far behind the southern states of Karnataka, Tamil Nadu and Andhra Pradesh. It is also lagging behind states like Maharashtra, Gujarat and Punjab. Only one out of seven applicants are admitted to engineering colleges. In polytechnics, only one out of ten students are admitted. For MBBS, it is still lower. Only one out of the 30 students applied are admitted. Another area where the State lags behind is medical and para-medical education. The availability of opportunities in this field is inadequate to meet the existing demand. Here again, Kerala's position compares unfavourably with that of the neighbouring states. The opportunities for post graduation in engineering are also inadequate in the state. The ratio of seats at the post graduate level to the degree level in engineering courses in the state is only 7.2%.

Another distressing feature is the high drop-out rate in technical education. It is about 30% at the degree level, 35% at the diploma level, 40% at the technical high school level and 45% at the post graduate level.<sup>xvi</sup>

### **Research**

The educational institutions in Kerala had always given more importance to dissemination of knowledge rather than to generation of ideas. As a result, research was never given due importance. Apart from inadequate opportunities for research, the low quality and the irrelevance of the research done to Kerala are matters of serious concern. Most of the research is of a repetitive nature adding little to existing knowledge. The de-linking of post graduate education from research, consequent to the former being offered in scattered colleges ill equipped for

research is one of the reasons for the low research output and its quality. The under funded, bureaucratic, over politicised university system also does not offer a congenial atmosphere for research.

The virtual absence of any all India level institutions like the Indian Institute of Technology, Central Universities, research institutions etc. add to the problem. These institutes could have acted as role models for the state's institutions in higher education and research. In other states, such institutions have developed strong linkages with the local economies as also educational institutions.

### **Mismatch Between Demand and Supply of Courses**

Another major problem confronting the educational system of Kerala is the mismatch between the courses available and the courses offered. The supply of courses in Kerala today is determined by the past and is not influenced by current or future demand. The courses are not re-oriented taking into account either the developments in the disciplines or the changes in the job markets.

The mismatch between demand and supply is more pronounced in technical education. The technical education in Kerala has a very narrow base. Many of the courses with good potential for employment as also high relevance to the state's resource endowments are not available in Kerala. Among the universities, there is duplication of courses while courses relevant to the state are not started at all. Courses are started taking into account not the academic interests or their relevance to the state, but due to extraneous pressures of groups like college managements, teachers and administrative staff. There is very little co-ordination among the universities themselves and with the government. All these are due to the absence of educational planning in the state. Though this sector accounts for the largest share in the state budget, it is one of the least planned sectors. It is the most regulated sector, but totally unplanned sector.

### **Management**

The societal control on education became tight in the sixties and seventies partly in response to the corrupt and nepotistic practices of the private college and school managements. But soon, societal control degenerated into government control, which in turn became control by bureaucracy and politicians. In the management of government colleges, there is a diarchy by government and the university. In the case of private colleges, one more agency viz., the private management is involved. This system of management by multiple authorities makes it very cumbersome and dysfunctional.

Another deficiency of the system of management of educational institutions in Kerala is its highly centralised and hierarchical nature. The educational sector is over regulated. The system is totally inflexible and its hallmark is red tapism. Almost all-archaic government rules, procedures and practices are made applicable to the educational institutions. The system ensures that experimentation of any sort by any one is discouraged. The system does not permit any autonomy or institutional distinctiveness. Every institution is made to lie on the Procrustean bed prepared for them by the government. None of the participants in the system - colleges,

university departments, and faculty - enjoy any autonomy any longer. University autonomy has become a myth. The University Grants Commission sponsored scheme for autonomous colleges, in spite of financial baits, was never implemented in the state due to resistance from well-entrenched interest groups.

One major lacuna of the educational system is the total lack of accountability. The existence of multiple layers of authority over the educational institutions has been one of the reasons. Politicisation of university administration, students and teachers has made it impossible to ensure accountability. The system provides neither the incentives for performance nor disincentives for poor performance.

### **Relationship between government and the private sector**

The non-governmental agencies played a major role in the expansion of the educational sector in Kerala. As early as 1984-85, 69.3 per cent of the total number of educational institutions were owned by private agencies. These institutions accounted for 58 per cent of the enrolment. Though these institutions were owned and managed by non-governmental agencies, they were liberally aided and supported by the government. Even today, the number of aided private schools and colleges outnumber government owned institutions by a wide margin. The role of private sector in technical education is however limited. In medical and agricultural education, there is absolutely no role for the private sector. There are no private universities.

Most of the aided private institutions are only 'pseudo private' as the government meets the entire salary and maintenance expenditure. In return, the private managements have surrendered their rights of admission except of a small percentage of students. They still retain the rights of appointment of teachers and administrative staff subject to nominal government control. Partly due to over regulation by government and partly due to government underwriting the entire recurring costs, the private investment in the educational sector has been coming down. Government's take over of the management functions was to prevent prevailing corruption among the managements. But this could not be prevented. Corruption and nepotism continue to be rampant in admission of students and appointment of teachers. All that governmental regulation could achieve was to stifle private initiatives in education and restrict the flow of private investment in the educational sector. The share of private managements in expenditure of colleges had gone down from the already low 2.5 per cent in 1972-73 to 1.4 per cent in 1985-86. In certain years, it was as low as 0.66 per cent (1978-79) and 0.68 per cent (1982-83).<sup>xvii</sup>

Recent times have witnessed the entry of a new breed of private agencies into the education sector. Following the steep decline in the quality of the government funded school system, a large number of schools, unaided and unregulated by the government have sprung up. These schools charge very high fees and are run largely on commercial lines. In the fields of technical education, management education, teachers education etc. a number of institutions have been established on similar lines. These are institutions which charge fees which cover not only the recurrent costs, but also the capital cost. 'What the traffic can bear' is the principle of charging the fees, In the process, they also make a profit though their investment is next to nothing. Even the government agencies and universities are now in this commercial venture making access to higher

and technical education dependent entirely on the paying capacity of the students. It is the government's inability and unwillingness, avowedly due to financial stringency which has led to the mushrooming of these institutions in Kerala. It appears that the pendulum has been swinging from one extreme of near total fee subsidy to the other extreme of zero subsidy, unheard of even in the most conservative capitalist countries. The task now is to restore the lost balance between the role of the government and the private agencies in management. Terms of relationship between the two have to be renegotiated.

### **Access to Education**

The state had been taking legitimate pride in the fact that its educational system provided equal access irrespective of gender, social class and income. In fact, all the caste and religious groups which competed with each other in starting educational institutions had emphasised education of the lower castes, downtrodden and women. But now, this concern is being replaced by their concern for the aspirations of the growing middle class in the state.

The highly subsidised fees and the cross subsidised transport fares together with the proximity of institutions have certainly enhanced the physical access to educational institutions in Kerala. But it is doubtful whether Kerala's educational system now provides for equal opportunities for quality education any longer. With the decline in quality of the public system of education, noted earlier, a parallel system of education for the middle class and the elite, run purely on commercial lines is evolving in Kerala at almost all levels. Besides, private coaching has become an inevitable supplement to education in government run/aided institutions. This makes free education a myth in Kerala. The magnitude of the problem can be gauged from the fact that the state accounts for more than three fifth of the total number of private coaching institutions in the country. These institutions in Kerala catered to nearly 1.5 lakh students who formed 57.8 per cent of the total number of such students in the country. Students in institutions coaching for high school examinations formed 47.2 per cent of the students enrolled in regular schools in Class X.<sup>xviii</sup> A survey conducted among college students in 1992 had revealed that private tuition accounted for 18 per cent of the total expenditure as against 4 per cent for college fees. About 90 per cent of the higher secondary school students in science stream rely on private tuition. Majority of degree students especially girls also goes in for private tuition. It was estimated that the total annual expenditure for all students was of the order of Rs 150 crores in 1992 which was more than the expenditure incurred by the state government in higher education.

On the face of it, the educational system in Kerala is highly subsidised. But the subsidies are only in fees. The mounting private costs of education are not subsidised except in the case of scheduled caste and scheduled tribe students. The non-fee subsidy of other sections of students are only of a token nature. Many, therefore, cannot afford higher and technical education.

A recent study has shown that access to engineering, management and computer courses is limited to students coming from five per cent of the households belonging to the rich and upper middle classes. Entry of rural, Malayalam medium, first generation students is negligible. While the access of the rural poor to general

education is high, the same for technical education is restricted. As the study observes, "while the passports to unemployment are issued to everyone, the same to employment opportunities are issued only to the elite groups, carved out on the basis of their financial and social background".<sup>xix</sup>

### **The Need for Change in the Structure**

Changes in the structure of the education system is called for at every level. The demographic transition in the state has reduced the school enrolment. The number of students enrolled in primary classes has been coming down steadily from 1987-88 onwards. The trend has set in the upper primary schools from 1991-92 and in the secondary schools from 1994-95. Very soon, Kerala's colleges are also likely to be affected by this trend. The declining enrolment has rendered many schools uneconomic. The number of such schools in 1997 was 1407. Many teachers are also rendered surplus. A good portion of the infrastructure in the schools also remains unutilised.

Kerala had committed a costly mistake by standing apart from the national pattern by linking its higher secondary education (Plus 2 level) to higher education (College level). As a result, the Plus 2 stage of education became part and parcel of higher education system co-existing in the same college campuses with degree and post graduate courses. In 1997-98, there were about 1,94,000 students in the pre-degree stream attached to 186 colleges under four universities in the state. This implied that nearly three fifth of the students of 'higher educational institutions' in the state were only secondary school students. The presence such teeming number of students belonging to the teen age group in the campuses vitiated the atmosphere in the colleges. The present government has finally taken the plunge by deciding for a phased de-linking of the pre-degree courses from the higher education stream. The immensity of the task can be gauged from the fact that nearly Rs 70 crores is required in the first year itself to shift the pre-degree courses from the colleges to schools. New teachers will have to be appointed in schools while there will be surplus teachers in the colleges. New infrastructure has to be built in the schools to accommodate nearly two lakh students while vast physical infrastructural facilities in the form of buildings, libraries, laboratories etc. will be rendered surplus in the colleges.

The de-linking of pre-degree course from colleges, however, provides a unique opportunity for expansion/ modernisation/ diversification/ vocationalisation of higher education with marginal investment in infrastructure. The human and physical resources rendered surplus could be utilised, if planned properly, for starting non-traditional courses and providing adequate funds for supplementing the existing facilities. Starting of non-traditional courses requires improvement of the library and laboratory facilities and re-training and re-equipping the faculty. Rough estimates place the expenditure requirements at Rs. 240 crores over the next five years. The state government which is already facing resource constraints may be unwilling or unable to spend funds of this magnitude. Yet, it is vitally important that investment of the above magnitude is made to fully utilise the vast infrastructural facilities built up in the past at such enormous costs. This is also necessary as there is a pressing need for diversifying and vocationalising higher education in the state. In fact, there is a strong case for converting a good number of the 186 arts & science colleges into community colleges.

The post graduate courses in the state, as they have evolved over the years, are academically and financially unviable. Post graduate courses are started in scattered colleges. The number is too many. The student-teacher ratio is too low to make these courses financially viable. The only alternative is to bring about a system of inter-collegiate teaching and sharing of facilities like libraries and laboratories. This system needs to be implemented among the Universities also. Such a system will give greater freedom to the students in choosing subjects for specialisation. It will also enable the teachers to specialise. In the long run, post graduate education must be confined to the university departments and should be linked to research.

Even after establishing linkages among colleges, it will still be impossible to provide all the existing colleges with up to date libraries and laboratories. At the same time, it will be absolutely essential to make such facilities accessible to post graduate students and teachers if standards are to improve. One possible cost effective method will be to expand and strengthen these facilities in the Universities and to make them accessible to post graduate students and teachers of affiliated colleges. These facilities must be made available beyond the University's office hours and on holidays. Adequate reprographic facilities will also have to be provided at these centres.

All the universities in the state are affiliating universities. These universities evolved on the pattern of universities in UK. While changes had taken place in the system in UK, the system in Kerala has not changed a wee bit. The original purpose of affiliating university was to act as a body for certification of quality standards. With the proliferation of universities with varying degrees of quality consciousness, the above objective of the affiliating system is no longer fulfilled. The affiliating system, while failing to ensure quality standards denies autonomy for colleges and teachers in designing syllabi, evaluating students and experimenting with teaching methodologies.

### **On Restructuring Financial Resources**

Kerala today requires large quantum of funds for improvement of quality at all levels. Besides, intake capacity has to be expanded in higher education and technical education. Opportunities for post graduate education and research will also have to be increased.

While the demand for funds is increasing, the supply of funds has not been increasing correspondingly due to a number of reasons. Firstly, the State had been reducing the share of social sectors including education in the state's public expenditure. Share of education in total government expenditure had been coming down steadily from the Fifth Five Year Plan onwards. Since then, expenditure on education at constant prices in Kerala has shown one of the lowest growth rates among states. In fact, the meagre annual growth rate of 3.2 per cent recorded during the 1974-75 - 84-85 period dipped to 1.1 per cent during the subsequent period of 1985-86 to 1991-92.<sup>xx</sup>

Table 2: Rates of Growth in Real per Capita Expenditure on Education

State	1974-75 to 1984-85	1985-86 to 1991-92
Andhra Pradesh	7.3	3.0
Assam	6.3	2.8
Bihar	9.1	7.9
Gujarat	5.8	3.8
Haryana	5.8	4.2
Karnataka	5.7	4.6
Kerala	3.2	1.1
Madhya Pradesh	4.1	6.6
Maharashtra	5.4	5.1
Orissa	4.3	5.8
Punjab	5.2	7.1
Rajasthan	5.1	7.1
Tamil Nadu	5.6	6.1
Uttar Pradesh	4.5	8.3
West Bengal	6.9	5.2

This has happened because of the mistaken notions regarding the reasons for the crisis in Kerala economy. It is often projected that the slow growth in Kerala economy is due to the higher expenditure on social sectors. These sectors are treated as a drain on the state's economy. This view, gaining ground in the state, has no empirical support and it springs from an inadequate appreciation of the role that education can play in the future development of the state. Education has to be seen not merely as a social expenditure, but as an investment in human resources for economic development. The reversal of state's priorities on education has come at the most inopportune time when knowledge is increasingly becoming the major driving force of economic development. Any further withdrawal of the state from education will make its past investments in this sector go waste. It has to be realised that the present unfulfilled demand for higher education is a second generation problem arising from the very success of the state in school level education. It has been the experience of developed countries as also some of the fast growing developing countries that the demand for post-secondary education will become high when school education becomes universal. The minimum that the state government should do is to restore the share of this sector in the state budget to the pre-1975 position.

Though the state spends the second largest amount on education on a per capita basis, the expenditure per student in Kerala's higher education was the second lowest (except for Bihar) among the major states in India.<sup>xxi</sup> The state's spending on higher education forms only 16.8% of the total expenditure on education. No doubt, the share of higher education in the total public expenditure on education in the state is, comparable to the Indian average. But with near total school enrolment, this allocation to higher education is

too small to meet the increasing demand placed on it. In this respect, as noted earlier, Kerala should be compared not with India, but with the developed countries as Kerala's school enrolment is more comparable with that of developed countries rather than with India.

One of the reasons for the deterioration in the quality of education is the lack of capital investments in this sector. The share of plan (new) expenditure in the total expenditure on higher education was 4.4% in Kerala against the national average of 11.4% in 1993-94. In this respect, Kerala's rank is only 23.<sup>xxii</sup> The rest goes for maintenance expenditure. Again, of the total expenditure on education in the state, only less than 5% is set apart for meeting capital needs. The rest is used for consumption purposes. Salaries and pensions account for about 90 per cent of the consumption expenditure, leaving very little for other academic inputs.<sup>xxiii</sup> The situation is not much different in universities. An analysis of the expenditure of universities in Kerala showed that staff salaries account for 51% of the total consumption expenditure. Library and lab expenditure constitutes only 3%.<sup>xxiv</sup>

Of the expenditure of sample private colleges studied by Mathew<sup>xxv</sup>, salaries accounted for 93.0%. While the salary component of the total expenditure has increased from 81.1 % in 1972-73 to 93.0% in 1985-86, the library component declined from 2% to 1.1%. The share of expenditure on laboratories came down from 3.7% to 1.9%. The position reveals the inability of the higher education system to provide the much needed academic inputs and to maintain effectively the vast infrastructure it has laid in the past, undermining the very purpose of laying this infrastructure.

Faced with the fiscal crisis of the state, an impression is spread that nothing much can be done to overcome the crisis except by cutting down government expenditure on social services. This is a false impression. There is still scope for additional resource mobilisation by selectively raising the tax rates and by better enforcing tax compliance. There is also enormous scope for expenditure management by cutting down wasteful expenditure. But the vested interests, which stand to gain from the present fiscal mismanagement, are well entrenched and are articulate. On the other hand, the beneficiaries of social expenditure, though well organised, are not well informed and are not articulate enough to safeguard their interests by demanding better fiscal management as an alternative to reduction in expenditure. At present these groups are on the defensive. They have to go on the offensive.

Flow of federal government funds has also been getting reduced due to the misconceptions about Kerala's educational development. Kerala's stage of educational development which is more advanced in some respects than that of the country as a whole has led to conflicts in priorities between the Centre and the State. While the Centre's priority even now is for providing literacy and elementary education, the State's priorities are for providing more opportunities for higher and technical education as well as research. While the Centre's priorities are for quantitative expansion, the State's priorities are for consolidation of the past gains and making qualitative improvements. This conflict in priorities has aggravated the financial crisis in the state's educational sector as the financial flows from the Centre to all sub sectors of Kerala's educational sector has tapered off.

The shift in priorities of the Central government towards school education in the nineties has also adversely affected Kerala as it is more advanced than other states in school education, at least in quantitative terms. But the reduced financial involvement of Central government in higher education as well as technical education is affecting Kerala more adversely as the flow of budgetary funds to UGC and AICTE is getting drastically reduced. And the higher education system's dependence on the above Central agencies is more in the state due to State government's insufficient capacity to provide for this sub-sector of education due to its fiscal crisis.

It appears that the central funding agencies as also Finance Commissions had been misled by the rosy picture projected of Kerala's educational sector. They have failed to take cognisance of either the qualitative dimensions of Kerala's achievements or the problems induced by state's very success in school education. For example, all Finance Commissions while working out the formulae for tax sharing have been taking into account the social backwardness of states. Two of the important components of social backwardness had been the backwardness in school level education and literacy. The Tenth Finance Commission had gone by an index of infrastructure development for which a few indicators of educational development had also been used. But none of the Finance Commissions had taken note of the qualitative dimensions of Kerala's educational development. None had taken into account the backwardness of Kerala in higher and technical education, both in quantitative and qualitative terms.

All Finance Commissions had been under-estimating the state's non-plan expenditure on education. The Eighth Finance Commission had forecast a non-plan expenditure of Rs. 1,500 crores for education. The actuals turned out to be Rs. 2,149 crores showing a variation 43.3 per cent. The Ninth Finance Commission in its second report had implicitly forecast an increase of 3.3 per cent in 1994-95 over the budget estimates of 1989-90 for primary education as against 40.3 per cent for all major states. For higher education, the growth rate envisaged by the Commission was only 22.7 per cent against 40.3 per cent for all states.<sup>xxvi</sup> The Tenth Finance Commission's forecast of expenditure on education during the five year period 1995-96 to 1999-2000 was Rs.6911 crores while the actuals turned out to be Rs.9873 crores showing a variation of 42.9 per cent. With regard to grants for upgradation of educational services, the Eighth and the Ninth Finance Commissions did not provide any grant at all to Kerala. The upgradation grants provided by the Tenth Finance Commission for this sector formed just 0.7 per cent of the total upgradation grants to education sector.

The educational sector has not been generating adequate resources on its own. The cost recovery ratios in education in Kerala have been always lower than those of other states. What is more, these ratios have been coming down very steeply in recent years. Further cost recovery from the educational sector is very essential if the financial crisis faced by this sector is to be overcome. At present, there are no fees at the school and Plus 2 levels. The ratio of fees to per capita income is very low in arts and science colleges and many university departments. It is also low in most of the technical courses. There is scope for raising fees in the arts and science colleges as the private costs of students of these colleges are relatively low, thanks to the proximity of these colleges to the students' residences. Fees structure in the state's colleges has not undergone major

revisions, taking into account either the increase in input costs or the improvement in the students' capacity to pay as reflected in the increase in per capita income and expenditure. Increase in fees from its present low level is not going to hurt large sections of students as the income levels in the state have been rising continuously. At the same time, it may help to tide over the financial crisis of this sector in view of the large number of students involved.

Increasing the fees in degree, post graduate and professional courses may not be adequate to raise resources as the number of students in these institutions forms only a small percentage of the total number of students in the state. If a real dent on the financial problem of this sector is to be made, fees will have to be charged at least from the higher secondary level. Though this may appear to be a retrograde step, such a decision is warranted by the desperate financial crisis in this sector. Besides, the Constitution visualises free education only upto the age of fourteen. As noted earlier, both the per capita income and average wage levels have been increasing in the state. In view of this, a vast majority of students may not find it very difficult to pay small amounts of fees.

There seems to be a compartmentalised thinking in all discussions in the State on cost recovery in education. Instead of seeing cost recovery for the educational sector as a whole, it seems that targeting is only on technical and professional education for higher if not full recovery of costs. The only ground for targeting professional education for higher cost recovery is the employment prospects of the students of these courses. But this reasoning seems to be the result of a warped thinking. Firstly, higher cost recovery is attempted precisely from those who will have to incur higher academic and non academic costs. Sections which are to incur lower costs are spared of any additional burden. The implication of this policy of selective cost recovery is to deny the financially and socially deprived sections access to job oriented courses. As noted earlier, though passports to unemployment are issued to everyone, the same to employment opportunities are issued only to the elite groups, carved out on the basis of their financial and social background.

While there is a case for higher cost recovery from those who can afford to pay, this should not be seen in isolation from the need to provide scholarships and freeships to the financially deprived sections. The financial assistance to these sections should cover not only their academic expenses but also their maintenance costs. At present, the scholarships under the KPCR scheme do not cover even a fraction of the students' maintenance costs. Only higher scholarship amounts to larger numbers can ensure access to the deprived sections. No doubt, this is beset with a host of administrative problems. The main problem is that the present administrative machinery for income certification, wholly centred around the revenue functionaries is totally inadequate and unreliable. The present system of income certification can bring within its net mainly the salaried class only. These problems will have to be sorted out before a policy of higher cost recovery, simultaneously providing assistance to the needy is implemented. It is worth considering whether at least at the school level, the school authorities can be entrusted with the task of identifying the deserving. It may be noted that in many foreign universities and colleges, the responsibility for working out a financial assistance package for the deserving students is assumed by the university and college authorities themselves.

Governments in many countries, both developed and developing, arrange loans for their students from commercial banks at subsidised interest rates. Moratorium on repayment is declared upto six months after passing out. Indirectly, the students who avail of these loans are asked to share the costs of their education over their earning period. It is time that the State government starts thinking on these lines despite the likely administrative problems.

In all our discussions on cost recovery, we almost assume that the present costs incurred by the institutions are the optimum costs. This seems to be far from reality. There is plenty of scope for cost reduction in our multi-tiered bureaucratic educational system. Almost all the government procedures, staffing and promotion patterns are followed by Universities and other educational institutions leading to delays as also waste. To expect the students to bear all the costs, irrespective of whether they are wasteful or not, is unfair.

One of the easier options for overcoming the financial crisis in the educational sector is to start self financing courses. But this alternative is possible only for courses with high demand. Secondly, these courses further strengthen the numerous entry barriers to higher education existing already. Thirdly, the scope for self financing in Kerala is much more limited than for the country as a whole because the percentage of households in the middle and high income brackets, according to an NCAER survey, is only five per cent as against 14 per cent for the country. Fourthly, these institutions cannot evolve as centres of excellence, despite the possibility of better infrastructure, as they are able to attract talents only from a maximum of five per cent of the households.

The community and non-governmental investment in this sector has been coming down steadily. There has been a steady decrease in funding of educational sector by the local bodies. There has also been a reduction in investment in education by the private sector including the voluntary agencies and religious groups. May be, the excessive regulations by the government have driven the private sector to seek relatively unregulated fields like health care. May be, it is the assumption of entire financial responsibility by the state government that has led to the private sector reducing its financial commitments. In any case, ways will have to be found out to get the non-commercial sub-segments to increase their involvement in this sector as the state government can no longer afford to shoulder the entire costs of privately managed educational institutions. Of course, this should be done without compromising on societal goals. In the absence of resource flows to this sector from public sources, the 'self financing' commercial institutions will spread, further strengthening the entry barriers noted earlier.

The local bodies under the present decentralised planning set-up can play a larger role in improving the standards of education in their localities. The local bodies are provided with larger allocation for local development of which a part can and should be used in the educational sector. These bodies can identify and solve the problems of the educational institutions in their locality much better than under the present system. Also, these institutions can provide scholarships to deserving students at the local level. In the absence of a long chain of bureaucratic machinery, this can be done in a cost effective manner and without causing delay.

It may also be borne in mind that the present financial crisis in the educational sector in Kerala is a product partly of the defective management systems, practices and organisational structure which prevail today. If these can be modified, much more positive results can be attained even with the existing financial resources. In the absence of major changes in management and organisation, pumping in of any amount of resources will not improve the educational system. It can only go down the drain.

Our discussion above shows that there is more than one reason for the financial crisis in education in the state. This suggests that there should be a combination of solutions to overcome the crisis. But any solution has to take into account its long term social, economic and academic implications. It should also not be at the expense of the state's goals of social justice, equality of opportunity and social mobility.

### **Problems in Restructuring**

If the mammoth educational system of the state is not to become a drag on the state's economy. It requires updating and modernisation of content. It also requires massive restructuring encompassing all aspects of education. Infusion of massive doses of funds is necessary for restructuring and modernising the educational system. But funding is not the only problem. Over the years, a large number of interest groups with vested interests in the status quo have got well entrenched in the system. Any change in the existing system is likely to upset the apple-carts of all these groups - students, teachers, employees and management - organised on political lines and with direct access to political leadership. The private college and school managements can easily resist changes by invoking communal and religious loyalties and masquerading as defenders of the minority rights and protectors of backward class interest. Education is no longer a mere academic activity, but an instrument of power and control. The soft state in Kerala, a prisoner of these social and political groups, does not yet have the capacity to resist these conflicting retrograde pressures.<sup>xxvii</sup> Unless the state develops this capacity, educational system will continue to be non-performing system.

## Footnotes

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