

# Financing Secondary Education in Kerala

## I

The Secondary Education, which serves as a bridge between primary and higher education is expected to prepare young persons between the age group 14 to 18 in the world of work and entry into higher education. Unfortunately, it is this segment, which is the weakest segment of the school education system in Kerala. There is good deal of wastage in the form of dropouts and failures at this stage. The quality standards are also not upto the desirable level.

Unlike in primary schools where the drop out rates are very low, they increase in the High School classes, particularly in the ninth and the tenth standards in Kerala. The progress of a sample cohort in schools showed that only 75 per cent of the students entering Standard VIII reach the tenth Standard<sup>1</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 a little more than 50 per cent of the students who appear for the examination get through in spite of liberal valuation and provision of grace marks. Only 39 per cent of the children who joins the first standard passes the matriculation examination<sup>2</sup>.

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>3</sup> An analysis of the average marks for various subjects in the standard X examination further illustrates the poor quality

## FINANCING SECONDARY EDUCATION IN KERALA

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<sup>1</sup> Educational statistics 1999, Directorate of Public Instructions, Govt. of Kerala.

<sup>2</sup> Ibid.

<sup>3</sup> Report of Kerala Education Commission (KEC), Kerala SasthraSahithya Parishad, Kochi, 1999.

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>4</sup> Another 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>5</sup>, the two subjects crucial for information technology education and amangement. In the vocational higher secondary system, the failure rate is around 40 per cent<sup>6</sup>.

In this paper, an attempt is being made to find out whether financial under provisioning is one of the reasons for the high degree of wastage and low quality of Secondary Education. The paper examines the trends in the financing of secondary education in Kerala with particular reference to the Grants in Aid policies of the State Government. This paper is divided into four parts. Part I examines the growth in the number of schools and enrolment according to different types of managements. Part II explores the trends in financing of secondary education and assesses the importance of Grants in Aid in the scheme of financing of this segment of school education. Part III presents the current status of the Grants in Aid policies. Part IV makes a critical evaluation of these policies as well as the present financial position of secondary school education in the State.

At the outset, it requires to be pointed out that the pattern of Kerala's school education differs from the pattern in most other states. This makes comparison of Kerala with other states somewhat problematic. In Kerala, primary education consists of Classes I to VII (Lower Primary- Classes I to IV; Upper Primary -

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<sup>4</sup> Vijaya Kumar B, "Examination Reforms at School Level", Paper Presented at the National Workshop on Education, Thiruvananthapuram, 1998.

<sup>5</sup> Ramakrishnan, C., "An Action Research Project to Improve the Teaching Learning Environment and Number of Working Days in Schools in Kerala through a Participatory Intervention Strategy", Kerala Sasthra Sahitya Parishad, Thiruvananthapuram, 1998.

<sup>6</sup> KEC, op.cit.

Classes V - VII ) as against Classes I-VIII in many states. Till recently, secondary education in Kerala consisted of classes VIII to X as against Classes IX to XII in most other states. The higher secondary education (Plus 2) was part of the higher education system in the State as Plus 2 classes were offered as pre-degree courses in Arts & Science colleges. With the introduction of Vocational Higher Secondary courses in 19 schools in 1983-84, there was a partial induction of Plus 2 stage of education in the school system. In 1990-91, higher secondary course was introduced in 31 government schools and a new Higher Secondary Directorate was formed. Then onwards, the higher secondary education was gradually de-linked from the higher education system and was brought under the school system. The process of de-linking picked up momentum only in the second half of the nineties and got completed by the 2000-01 admissions. The gradual shifting of the higher secondary courses from the colleges to the schools, spread over a period of a decade, has created some problems in the comparative analysis of expenditure on secondary education over the years. In this paper, the secondary education includes classes VIII to X unless otherwise specified. Wherever data are available for higher secondary education and vocational higher secondary education, they are reported separately.

### **Literary in Travancore, Cochin and Malabar**

The pre-eminent position of Kerala in educational development dates back to the second half of the 19<sup>th</sup> century itself. As may be seen from Table 1, both during the British and the post-independence period, the literacy levels in the three erstwhile constituent units of Kerala – the princely states of Travancore and Cochin and the Malabar district of Madras Presidency- remained much higher than that at the national level.

Table 1: Literacy Rates in Travancore and Other Selected Regions in India- 1891-1951

Area	(percent)						
	1891	1901	1911	1921	1931	1941	1951
Travancore State	11.0	12.4	15.0	24.2	23.9	47.1	46.7
Cochin State	18.0	13.4	15.1	18.5	28.2	41.0	43.7*
Malabar Dist.	9.1	10.1	11.1	12.7	14.4	NA	30.9
Madras Presidency	6.3	7.5	8.6	9.3	13.0	NA	19.3
All India	5.8	5.3	5.9	7.1	9.5	15.1	16.6

NA = Not available \* Persons aged 7 years and above

Source: A.Abdul Salim and P.R.Gopinathan Nair, (2002), p.53.

At the turn of the twentieth century, there was at least one government primary school in every village of Travancore. Including institutions under private agencies, there was on an average one school for 1.9 sq.miles and for 792 inhabitants.

### Growth of School Education in Kerala

Educational development in Kerala acquired further momentum during the post independence period especially after 1956, when the state of Kerala was formed, following the linguistic reorganisation of states in the country. In 1956, there were 762 High Schools, 1589 Upper Primary Schools and 6699 Lower Primary Schools in the State. Their number rose to 2596, 2966 and 6748 respectively by 2000-2001. Index of growth (base year 1956) for the year 2000-2001 stood at 341 for High Schools, 187 for Upper Primary Schools and 101 for Lower Primary Schools. The fact that the number of Lower Primary Schools has not increased much during this period only shows that the State had reasonably adequate number of Lower Primary Schools even at the time of formation of the State.

Table 2: Growth of Schools in Kerala

Year	Number of schools in Kerala				Index of Growth (Base 1956=100)			
	HS	UPS	LPS	Total	HS	UPS	LPS	Total
1956	762	1589	6699	9050	100	100	100	100
1961-62	895	1932	6706	9533	117	122	100	105
1970-71	1384	2543	6895	10822	182	160	103	120
1980-81	1976	2753	6861	11590	259	173	102	128
1990-91	2452	2915	6767	12134	322	183	101	134
2000-01	2596	2966	6748	12310	341	187	101	136

Sources: For the year 1956, *Statistics Since Independence*, Department of Economics & Statistics, Government of Kerala, 1998. For other years, *Economic Review*, 2000 and 2001 and *Educational Statistics-1999*, Directorate of Public Instruction, Government of Kerala

In 1998-99, there was a High School for every 11,257 people in Kerala, an Upper Primary School for 9811 people and a Lower Primary School for 4308 people. On an average, there was 0.67 High School, 0.76 Upper Primary School and 1.74 Lower Primary School per 10 Sq.Km area.

Table 3: Growth in Enrolment in Schools in Kerala

Year	Enrolment				Index of Growth			
	HS	UPS	LPS	Total	HS	UPS	LPS	Total
1956-57	3.56	5.03	18.50	27.09	100	100	100	100
1965-66	6.15	10.32	25.21	41.68	173	205	136	154
1970-71	7.25	12.67	28.08	48.00	204	252	152	177
1975-76	9.08	17.96	26.71	53.75	255	357	144	198
1980-81	13.14	16.94	25.94	56.02	369	337	140	207
1985-86	13.43	17.77	25.95	57.15	377	353	140	211
1990-91	14.99	19.21	24.66	58.86	421	382	133	217
1995-96	16.17	18.13	21.78	56.08	454	360	118	207
2000-01	16.12	17.05	19.32	52.49	453	339	104	194

Sources: Same as in Table 2.

An analysis of the figures relating to the enrolment of schools in Kerala given in Table 3 shows that the index of enrolment in secondary schools has increased to 453 in 2000-01 (Base 1956-57 =100). In the Upper Primary Schools, the index showed an increase to 339. In the Lower Primary Schools, the index of enrolment increased only to 104. The table shows declining trends in enrolment at all levels in the recent period. These declining trends in enrolment are reflections of the declining birth rates in the State from the seventies.

The Tables 2 and 3 show that the rate of increase in enrolment was higher than that of number of schools. The tables also show that the expansion in terms of the number of schools and in enrolment in the post independence period was the largest in the secondary school sector.

One of the major reasons for the growth in enrolment was the gradual abolition of fees at all levels. By the time of independence, lower primary education had become almost free. From 1954-55 onwards, the government began to abolish fees in stages, starting at the middle school level. By 1969-70, fees up to standard 10 was abolished. The system of free education was extended to the higher secondary level (Plus two/pre-degree) in 1991. Thus the school education in Kerala had become totally free, a decade before the dawn of the present century.

The Table 4 gives the comparative position of States in the distribution of enrolment according to the type of management of schools.

Table 4: Share in Enrolment in Class I-XII by Types of Management of Schools as on 30 September 1993

(Figures in percentage)

State	Government	Aided	Unaided	Local Bodies	Total
Andhra Pradesh	8.7	11.1	11.8	68.3	100.0
Arunachal Pradesh	95.7	3.1	1.0	0.3	100.0
Assam	92.1	2.8	1.3	3.9	100.0
Bihar	95.8	2.3	1.6	0.3	100.0
Goa	32.7	64.4	2.9	0.0	100.0
Gujarat	1.2	22.9	10.3	65.5	100.0
Haryana	84.6	6.2	8.6	0.6	100.0
Himachal Pradesh	92.5	1.8	5.2	0.5	100.0
Jammu & Kashmir	88.7	3.0	8.4	0.0	100.0
Karnataka	68.6	19.5	11.1	0.8	100.0
<b>Kerala</b>	<b>38.6</b>	<b>57.4</b>	<b>3.1</b>	<b>0.8</b>	<b>100.0</b>
Madhya Pradesh	78.6	4.2	14.3	3.0	100.0
Maharashtra	1.6	37.6	8.0	52.8	100.0
Manipur	48.9	13.2	37.9	0.0	100.0
Meghalaya	9.0	47.0	8.5	35.5	100.0
Mizoram	77.2	15.5	6.3	1.0	100.0
Nagaland	59.7	19.9	16.3	4.2	100.0
Orissa	80.5	10.0	4.4	5.2	100.0
Punjab	84.2	9.3	6.0	0.5	100.0
Rajasthan	61.3	5.2	13.9	19.6	100.0
Sikkim	93.8	4.0	1.9	0.3	100.0
Tamil Nadu	24.4	32.5	3.7	39.4	100.0
Tripura	78.8	5.5	0.4	15.3	100.0
Uttar Pradesh	3.7	22.2	18.9	55.2	100.0
West Bengal	5.8	34.6	0.8	58.8	100.0
Delhi	34.1	8.2	21.7	36.0	100.0
All India*	38.2	20.0	9.2	32.6	100.0

Note: \*- Includes Union Territories.

Source: *Sixth All India Education Survey, Vol. IV*, NCERT, New Delhi, 1999

The Table reveals that Kerala is second only to Goa in the share of private aided schools in enrolment among the states in the country. The Table also shows that local bodies play only a marginal role in school education in Kerala. Only 136 schools- 18 High Schools, 47 Upper Primary Schools and 71 Lower Primary

Schools – were run by the local bodies. They constituted only 1.1 per cent of the total number of schools in the State. These schools are treated as aided schools and are given grants in aid.

Table 5 gives the management wise break-up of schools in Kerala.

Table 5: Distribution of Schools in Kerala According to the Types of Management

(Figures in percentage)

Year	High Schools				U.P. Schools				L.P. Schools			
	Govt	Aided	Un-aided	Total	Govt	Aided	Un-aided	Total	Govt	Aided	Un-aided	Total
1950-51	21.0	39.1	39.9	100.0	33.1	37.2	29.7	100.0	55.8	42.2	2.0	100.0
1980-81	39.9	56.8	3.3	100.0	31.5	67.8	0.7	100.0	39.5	59.8	0.7	100.0
1985-86	38.6	57.0	4.5	100.0	31.9	65.9	2.2	100.0	38.2	59.6	2.1	100.0
1990-91	39.2	56.3	4.5	100.0	32.9	64.6	2.5	100.0	37.9	60.1	2.0	100.0
1995-96	37.9	54.2	7.9	100.0	32.4	63.3	4.4	100.0	37.5	60.0	2.5	100.0
2000-01	37.7	53.8	8.5	100.0	32.3	63.1	4.5	100.0	37.8	59.8	2.4	100.0

Source: For the year 1950-51, *Statistics Since Independence*, Department of Economics & Statistics, Government of Kerala, 1998. For other years, *Economic Review-2001*, Government of Kerala.

A notable feature of the management-wise distribution of schools in Kerala was the existence of a surprisingly large number of schools in the unaided category in the early 1950s. Their proportions were 39.9 percent and 29.7 percent respectively in the High Schools and Upper Primary Schools. In the Lower Primary Schools their proportion was, however, very low (2.0%) during 1950-51. The number of such schools had gradually decreased by 1980-81 probably because of the liberal grants in aid policies of the government including the system of direct payment to the staff. But this trend is gradually changing from the eighties.

Table 6: Distribution of Enrolment According to the Type of Management of Schools in Kerala

(Figures in percentage)

Year	High Schools				U.P. Schools				L.P. Schools			
	Govt	Aided	Un-aided	Total	Govt	Aided	Un-aided	Total	Govt	Aided	Un-aided	Total
1980-81	37.9	62.1	0.0	100.0	35.0	65.0	0.0	100.0	43.3	56.7	0.0	100.0
1985-86	38.8	59.8	1.4	100.0	35.7	62.9	1.5	100.0	42.0	56.5	1.6	100.0
1990-91	39.4	58.4	2.2	100.0	36.1	61.8	2.1	100.0	41.0	56.2	2.8	100.0
1995-96	39.6	57.9	2.5	100.0	34.6	62.6	2.9	100.0	39.0	57.1	3.9	100.0
2000-01	37.3	58.8	3.9	100.0	32.6	62.9	4.5	100.0	36.7	58.1	5.2	100.0

Source: *Economic Review-2001*, Government of Kerala.

The Table above on student enrolment shows that the Private Aided schools cater to around 60 percent of the students. A vast majority of the teachers in the Kerala schools also belongs to the aided sector. Their proportion was 55.8 percent in the High School section, 67.7 percent in the upper primary section and 62.4 percent in the lower primary section.

Table 7: Distribution of Teachers in Schools in Kerala

(Figures in percentage)

Year	High Schools				U.P. Schools				L.P. Schools			
	Govt	Aided	Un-aided	Total	Govt	Aided	Un-aided	Total	Govt	Aided	Un-aided	Total
1980-81	38.1	60.0	1.8	100.0	35.5	64.1	0.4	100.0	42.7	56.8	0.6	100.0
1985-86	41.0	56.7	2.4	100.0	30.1	68.8	1.1	100.0	38.4	60.7	0.9	100.0
1990-91	41.2	55.6	3.2	100.0	31.5	67.3	1.2	100.0	38.1	60.2	1.7	100.0
1995-96	40.1	55.7	4.1	100.0	30.7	67.4	1.9	100.0	36.7	61.1	2.2	100.0
2000-01	38.0	55.8	6.3	100.0	30.0	67.7	2.3	100.0	35.3	62.4	2.3	100.0

Source: *Economic Review 2000* and *Economic Review 2001*, Government of Kerala.

The four Tables above show that the Aided school sector in Kerala enjoys a pre-eminent position in the number of schools, student enrolment and staff strength.

Table 8 shows the growth of higher secondary schools in Kerala. As noted earlier, the Plus 2 classes were held wholly in Arts and Science Colleges till 1991. The process of transferring these classes to schools was completed only by 2000-01 admissions. Of the total number of Higher Secondary schools in the State, 416 were in the government sector (44.6 per cent), 508 in the private aided sector (54.5 per cent) and eight (0.9 per cent) in the unaided sector.

Table 8: Higher Secondary Education in Kerala

Year	Number of schools		Enrolment	
	Higher Secondary (Plus 2)	VHSS*	Higher Secondary (Plus 2)	VHSS*
1983-84	--	19	--	570
1990-91	31	NA	1748	8687
1995-96	89	295	10449	31575
1999-00	931	374	133399	40725

Note: \*- Vocational Higher Secondary School, NA- Not available  
Source: *Economic Review*, Government of Kerala, Various Issues.

A recent trend noticed in Kerala is the growth of schools, mostly unaided, following syllabus other than the one prescribed by the state government. In 1998-99, there were 1.71 lakhs students in the State studying in schools following CBSE and CICSE curriculum. The number of such schools was 242 in 1998-99. (Figures relating to the number of schools and enrolment given elsewhere in this chapter do not include these figures)

## II

In this section, we propose to take a look at the financing of secondary school sector by the State government. Before going into the details of the financing of secondary school sector we may look at the trend in financing of education sector by the State. It can be observed that there has been an undeclared shift in state's

budgetary priorities away from education. The share of education in Kerala's total budgetary expenditure has been coming down steadily from 37 per cent in 1982-83 to 23 per cent in 1996-97. Since then it is hovering around 22 per cent. It may be noted from the Table 9 that the share of education in Kerala's budget today is much below its share in the budget of Travancore-Cochin in 1954-55.

Table 9. Expenditure on Education as a Percentage of Total Revenue Expenditure of Kerala

Year	Share of Expenditure on Education to Total Expenditure
1954-55*	26.0
1960-61	35.1
1970-71	36.7
1980-81	34.9
1981-82	34.8
1982-83	37.2
1983-84	33.7
1984-85	33.2
1985-86	32.1
1986-87	31.5
1987-88	31.1
1988-89	29.1
1989-90	30.2
1990-91	27.45
1991-92	25.99
1992-93	24.93
1993-94	26.68
1994-95	26.67
1995-96	24.63
1996-97	23.81
1997-98	21.37
1998-99	21.22
1999-00	22.56
2000-01	22.41
2001-02	22.47

Note: \* - Data for the year 1954-55 pertains to Travancore-Cochin. Quoted by Abdul Salim A. and Gopinathan Nair P.R. (2002), p.270.

RE- Revised Estimate, BE- Budget Estimate  
Source: For the years 1960-61 to 1989-90, Kerala Education Commission Report (1999), From 1990-91 onwards, computed from State Finances, Reserve of India, Various Issues.

The entire needs of government secondary schools, both revenue and capital, are met directly by the government. The government of Kerala, unlike many other states meets only the recurring revenue expenditure of Private Aided Schools. The government's assistance to the aided schools is by way of direct payment of salaries and pensions to the teaching and non-teaching staff. Grants are also given for maintenance and for meeting some of the non-salary revenue expenditure. As noted earlier, schools run by local bodies receive grants in aid like other schools run by private agencies.

The share of secondary education in the total educational expenditure of the State is presented in Table 10.

Table 10: Share of Different Sub-sectors in Revenue Expenditure on Education in Kerala

Year	Primary Education	Secondary Education			Higher Education	Technical Education**	Others***	Total
		High School	Plus2 & VHSS*	Total				
1960-61	67.3	18.1	--	18.1	5.3	--	9.2	100.0
1961-62	62.1	16.8	--	16.8	6.6	--	14.6	100.0
1962-63	63.4	18.9	--	18.9	6.2	--	11.5	100.0
1963-64	60.0	19.0	--	19.0	6.3	--	14.8	100.0
1964-65	58.9	19.5	--	19.5	4.4	6.1	11.1	100.0
1965-66	60.5	19.6	--	19.6	4.2	5.1	10.7	100.0
1966-67	57.6	19.1	--	19.1	7.5	5.1	10.6	100.0
1967-68	59.5	20.9	--	20.9	5.7	4.3	9.6	100.0
1968-69	61.4	21.0	--	21.0	5.1	2.9	4.6	100.0
1969-70	59.8	21.2	--	21.2	5.0	4.1	10.0	100.0
1970-71	58.3	21.3	--	21.3	7.1	3.8	9.6	100.0
1971-72	57.8	21.5	--	21.5	7.4	2.8	10.5	100.0
1972-73	59.0	24.1	--	24.1	12.0	2.8	2.1	100.0
1973-74	56.5	25.6	--	25.6	13.3	2.8	1.8	100.0
1974-75	58.3	26.1	--	26.1	11.0	3.2	1.4	100.0
1975-76	57.7	25.1	--	25.1	12.3	3.5	1.4	100.0
1976-77	58.0	25.6	--	25.6	11.7	3.6	1.1	100.0
1977-78	57.5	25.9	--	25.9	11.5	4.1	1.1	100.0
1978-79	56.5	26.9	--	26.9	11.2	4.1	1.2	100.0
1979-80	55.9	27.9	--	27.9	10.6	4.3	1.2	100.0
1980-81	55.1	28.7	--	28.7	10.7	4.3	1.2	100.0
1981-82	54.4	29.0	--	29.0	11.4	4.1	1.1	100.0
1982-83	53.7	29.5	--	29.5	12.2	3.5	1.0	100.0
1983-84	52.9	29.0	--	29.0	13.1	3.8	1.1	100.0
1984-85	52.2	29.2	0.1	29.4	13.3	4.0	1.1	100.0
1985-86	51.3	29.6	0.2	29.8	13.0	4.7	1.2	100.0
1986-87	51.9	29.0	0.3	29.3	13.0	4.8	1.1	100.0
1987-88	52.3	28.9	0.2	29.1	13.5	4.0	1.0	100.0
1988-89	52.8	28.3	0.2	28.5	13.4	3.8	1.6	100.0
1989-90	51.9	28.9	0.2	29.1	13.2	4.0	1.8	100.0
1990-91	52.4	29.5	0.5	29.9	12.2	4.1	1.3	100.0
1991-92	49.9	29.0	0.7	29.6	15.0	4.7	0.8	100.0
1992-93	47.5	29.2	0.6	29.9	17.2	4.7	0.8	100.0
1993-94	46.6	28.9	0.7	29.7	18.5	4.3	0.9	100.0
1994-95	49.2	29.5	0.7	30.2	15.8	4.1	0.7	100.0
1995-96	47.8	30.0	0.8	30.8	15.8	4.2	1.4	100.0
1996-97	50.9	32.4	1.1	33.5	9.7	4.7	1.2	100.0
1997-98	46.9	30.0	1.3	31.3	16.5	4.4	1.0	100.0
1998-99	47.1	29.0	2.2	31.1	16.0	4.2	1.5	100.0
1999-00	48.3	30.4	3.1	33.6	13.2	4.0	0.9	100.0
2000-01	46.3	30.4	3.0	33.3	15.0	4.3	1.0	100.0

Source: Up to 1969-70, *Economic Review*, Government of Kerala, Various Issues. From 1970-71 onwards, *Finance Accounts*, Government of Kerala, Various Issues.

Note: \*-Plus 2- Higher secondary education; VHSS-Vocational higher secondary education.

The expenditure under this head does not include the expenditure on pre-degree courses run in Arts&Science Colleges. It was coming under Higher Education.

\*\*- It is likely that the expenditure on technical education in the early 70ss have been included against the heads 'higher education' and 'others'.

\*\*\*-The lower share of 'others' after 1971-72 may be because of the re-classification of 'other expenditure' to other heads.

Table 10 shows that the allocation to the secondary education has been increasing almost steadily from 1960-61 onwards. The increase was the sharpest in the seventies. Kerala spent one third of its educational expenditure (revenue account) on secondary education in 2000-01. The increase in the share of secondary education was on account of the comparatively higher growth in the number of secondary schools and enrolment therein noted earlier in Tables 2 and 3.

The share of Secondary Schools in enrolment has increased from 10.1 per cent in 1960-61 to 23.4 per cent in 1980-81 and then to 30.7 per cent in 1999-00<sup>7</sup>. It seems that the success of the State in universalising primary education has pushed the demand for secondary and higher levels of education which in turn resulted in an increased allotment for these sectors.

Table 11 presents the per pupil cost of secondary education in Kerala.

Table 11: Government Expenditure on Secondary Education Per Pupil in Kerala

Year	Cost per Pupil	Index of Growth (Base year 1970-71)
1970-71	176	100
1971-72	187	106
1972-73	194	110
1973-74	212	120
1974-75	218	124
1975-76	361	205
1976-77	386	219
1977-78	363	206
1978-79	356	202
1979-80	369	210
1980-81	454	258
1981-82	536	304
1982-83	589	334
1983-84	658	373
1984-85	738	419
1985-86	907	515
1986-87	1043	592
1987-88	1089	618
1988-89	1162	659
1989-90	1248	708
1990-91	1500	851
1991-92	1600	908
1992-93	1761	999
1993-94	2134	1211
1994-95	2518	1428
1995-96	2797	1587
1996-97	3184	1807
1997-98	3450	1957
1998-99	3842	2180
1999-00	4819	2734
<b>Growth</b>		
1970-71 to	10.06	
1980-81 to	11.62	
1990-91 to	12.91	
1970-71 to	11.33	

\*. Includes higher secondary education also.

Note: The growth rates are computed using exponential trend fitting method.

Source: *Economic Review*, Government of Kerala, Various Issues

<sup>7</sup> Computed from *Educational Statistics-1999*, Directorate of Public Instruction, Government of Kerala

The cost of secondary education per pupil was Rs. 4819 in 1999-00 as against 3440 for primary education. The index of growth of cost per pupil in secondary education increased to 2734 in 1999-00 (base year- 1970-71). The rate of growth in per pupil expenditure was showing a decadal increase from the seventies. Part of the reason for the increase in per pupil cost in the nineties especially after 1995-96 may lie in the shifting of Plus 2 courses from the colleges to the secondary schools. Part of the increase may also be due to the steep increase in salaries following the implementation of the Pay Commission report in 1999-00<sup>8</sup>.

The per pupil expenditure on secondary education in Kerala was only Rs. 4659 which is much lower than the All States average of Rs. 5668. In this respect, Kerala ranks only 20th among the 26 states in India. Kerala's rank was much lower than that of backwards states like Uttar Pradesh and Rajasthan. Obviously, State's financial provisioning for the sector is not increasing sufficiently to match for the growth in enrolment.

Table 12: Per Pupil Expenditure on Secondary Education-1998-99

State	Expenditure Per Pupil	Rank
West Bengal	9580	6
Uttar Pradesh	5546	18
Tripura	10276	4
Tamil Nadu	6286	16
Sikkim	35131	1
Rajasthan	8046	9
Punjab	12110	3
Orissa	2800	26
Nagaland	7628	12
Mizoram	9123	7
Meghalaya	7902	10
Manipur	8428	8
Maharashtra	5985	17
Madhya Pradesh	2817	25
<b>Kerala</b>	<b>4659</b>	<b>20</b>
Karnataka	4053	23
Jammu & Kashmir	6933	15
Himachal Pradesh	7763	11
Haryana	7552	14
Gujarat	7563	13
Goa	16391	2
Delhi	5184	19
Bihar	3331	24
Assam	4158	21
Arunachal Pradesh	9587	5
Andhra Pradesh	4084	22
All India*	5668	

Source: Computed from the data on expenditure in *Analysis of Budgeted Expenditure on Education:1998-99 to 2000-01*, Ministry of Humana Resource Development, Government of India and data on enrolment in *Annual Report-1999-2000*, Ministry of Humana Resource Development, Government of India.

The per pupil assistance provided by government directly to its own secondary schools and private aided secondary schools is presented in Table 13.

<sup>8</sup> See Economic Review-200, Government of Kerala

Table 13: Per Pupil Direct Expenditure on Government and Aided Secondary Schools

Year	Government	Aided
1980-81	426	405
1981-82	467	452
1982-83	495	518
1983-84	576	609
1984-85	634	675
1985-86	795	766
1986-87	876	908
1987-88	946	970
1988-89	1049	1075
1989-90	1162	1131
1990-91	1388	1445
1991-92	1383	1484
1992-93	1430	1537
1993-94	1791	1850
1994-95	2154	2329
1995-96	2288	2490
1996-97	2551	2791
1997-98	2811	3117
1998-99	3213	3329
1999-00	4330	4764
2000-01	4339	4885

The Table brings out that the per pupil direct assistance to private aided secondary schools was higher than that of government run schools during most years. This is rather surprising as the government, unlike in the case of aided schools, has the added responsibility to meet the capital expenditure of schools run by it. The higher per pupil assistance to private aided schools may be partly because of the slightly lower pupil-teacher ratio in aided secondary schools. The number of pupils per teacher was 26 in aided high schools as against 27 in government high schools in 1999-2000. However, this phenomenon requires further exploration, as the differences in pupil-teacher ratio alone may not account for the difference.

Table 14: Share of Different Sub-Heads in Revenue Expenditure on Secondary Education in Kerala

Sub-Head	80-81 to 84-85	85-86 to 89-90	90-91 to 94-95	95-96 to 99-00
Direction and Administration	5.17	2.23	2.03	1.91
Research and Training	0.00*	N	0.07	0.48
Inspection	1.08	1.21	1.12	0.96
Teachers Training	0.04	0.05	0.02	0.00
Text Books	6.36	6.47	5.48	3.58
Scholarships	0.43	0.56	0.48	0.15
Examinations	0.00*	2.30	1.73	1.47
Govt. Secondary Schools	33.65	34.68	34.99	34.36
Assistance to Private Aided Secondary Schools	52.98	52.40	53.85	56.10
Assistance to Local Bodies for Secondary Schools	0.00**	0.00**	0.16	0.73
Other Expenditure	0.29	0.10	0.06	0.21
Total	100.00	100.00	100.00	100.00

Note: \*- May have been included under other heads

\*\*-. Prior to 1991-92, no expenditure was shown under this head. The expenditure incurred on the 18 schools managed by the local bodies was included in the assistance to private aided schools.

N- Negligible

The Table above reveals that Grants to non-government secondary schools is the largest single head of expenditure under secondary education (56.1 per cent). On the other hand, the share of expenditure on government schools was only 34.4 per cent. From an average of 52.9 per cent during the period 1980-81 to 1984-85, the share of assistance to non-government schools has increased to 56.1 per cent during the period 1995-96 to 1999-00.

Another disturbing finding is the abysmally small share of capital expenditure in government's total expenditure on secondary education. The share is also coming down. It was just 0.1 per cent in 1999-2000 and 2000-01.

Table 15: Share of Capital Expenditure in Total Expenditure on Secondary Education

Year	Revenue Expenditure (Rs.)	Capital Expenditure (Rs)	Share of Capital Expenditure in Total Expenditure
1995-96	4334066707	33234503	0.8
1996-97	4934618922	64780398	1.3
1997-98	5383310992	35985045	0.7
1998-99	5970425670	54226078	0.9
1999-00	8579832663	10848928	0.1
2000-01	8568909232	5405651	0.1

The implication of the above table is that the expenditure on secondary education in the State is mainly used for meeting the recurring revenue expenditure and not for investing in any new infrastructure. Part of the decline in the share of capital expenditure is understandable in view of the declining enrolment in schools. Only very few new schools are being established.

Table 16 presents the share of plan expenditure in the total revenue expenditure on secondary education.

Table 16: Share of Plan Expenditure in Total Revenue Expenditure on Secondary Education in Kerala

	80-81 to 84-85	85-86 to 89-90	90-91 to 94-95	95-96 to 99-00
Direction and Administration	11.87	0.22	0.00	0.00
Research and Training	0.00*	100.00	100.00	100.00
Inspection	0.00	0.00	0.00	0.00
Teachers Training	99.24	100.00	100.00	100.00
Text Books	0.00	0.00	0.00	0.00
Scholarships	7.41	32.13	25.07	19.31
Examinations	0.00	0.00	0.00	0.00
Govt. Secondary Schools	11.43	0.42	0.12	0.10
Assistance to Private Aided Secondary Schools	6.59	0.08	0.00	0.00
Assistance to Local Bodies for Secondary Schools	0.00**	0.00**	7.46	32.80
Other Expenditure	50.60	70.60	82.14	88.43
<b>Secondary Education-Total</b>	<b>8.18</b>	<b>0.49</b>	<b>0.31</b>	<b>0.97</b>

Note: \*- May have been included under other heads.

\*\*.- Prior to 1991-92, no expenditure was shown under this head. The expenditure incurred on the 18 schools managed by the local bodies was included in the assistance to private aided schools.

An equally worrisome finding is that the plan component of the expenditure on secondary schools is very low in Kerala. It is also coming down steeply. While the plan component constituted 8.18 per cent of the total expenditure on secondary education during the first half of the eighties, it was less than one per cent during the fifteen year period beginning with 1985-86.

A note of caution is necessary in interpreting the data given in the above table as also Table 14 as there have been changes in the plan, non-plan categorisation as well as categorisation under different heads over the years. The details of these changes are not spelt out in the budget documents.

The plan component of the assistance to the government schools has been coming down steadily from 11.43 per cent during the first half of the eighties to just 0.42 per cent during the second half. The share went further down to just 0.10 in the second half of the nineties. This is mainly because the assistance to government schools was largely confined to salary and wages, which forms part of the non-plan component. Also, the rate of growth in the number government secondary schools came down especially in the nineties as less number of schools was started during this period.

Since the assistance to aided private schools is confined to meeting the salary and pensions of the teaching and non-teaching staff and maintenance expenses, the share of plan expenditure is zero. In this respect, Kerala differs from many other states which provide some plan assistance to aided schools.

The implication of the data given in Table 16 is rather disturbing, as they indicate the decline in fresh investment in secondary education in the State either for quantitative expansion or for quality upgradation.

In Table 17, we examine the share of salary and wages in the expenditure on secondary schools.

Table 17: Share of Salary and Wages in Expenditure on Secondary Education

Share of Salaries and Wages in:	1980-81 to 1984-85	1985-86 to 1989-90	1990-91 to 1994-95	1995-96 to 1999-00
Direct expenditure on Government Secondary Schools	95.9	98.7	99.1	99.4
Grants to Private Aided Secondary Schools	99.1	99.2	99.3	99.5
Total Expenditure on Secondary Education	88.2	89.8	91.6	93.1

The share of salary and wages has continuously increased from an average of 88.2 per cent during the period 1980-81 to 1984-85 to 93.1 per cent during the period 1995-96 to 1999-00. The share of salary and wages in the grants to private aided schools was as high as 99.5 per cent during the latter half of the nineties. In addition to salary and wages, the government meets the maintenance expenses of these schools which formed 0.5 per cent in the total grants provided to the private aided secondary schools during the period 1995-96 to 1999-2000. In the direct expenditure on government secondary schools too, salary and wages constitute the most important component. The share of salary and wages in expenditure on government secondary schools increased from 95.9 per cent in the first half of the eighties to 99.4 per cent in the second half of the nineties. The share was almost at par with that of private aided schools. Table 16 also has disturbing implications. The table implies that very small amounts are made available for meeting expenditure requirements for maintenance or providing other academic inputs.

## Higher Secondary Education

The pattern of expenditure on higher secondary education under the Directorate of Higher secondary education is given in Table 18.

Table 18: Pattern of Expenditure on Higher Secondary Education- 1998-99 to 2000-01

Heads	1998-99	1999-00	2000-01
Salary & Wages	84.9	93.5	95.3
Office Expenses	0.3	0.4	0.3
Library & Lab Equipments	11.1	3.4	0.9
Others	3.7	2.8	3.5
Total	100.0	100.0	100.0

As in the case of secondary education, the share of 'salary and wages' in the expenditure on higher secondary education is increasing steadily and has reached

95.3 per cent by 2000-01. The share of library and laboratory equipments shows a steep decline.

### III

#### **Grants in Aid Policies**

The reasons for the predominance of private sector in Kerala's education system noted in earlier sections are historical. The history of education in Kerala during the last one and a half centuries shows that it was the non-governmental agencies that had championed the cause of education and had taken initiatives in starting educational institutions of different kinds. Western missionaries, local churches, other local organisations, community organisations and social reformers were in the forefront of educational endeavours in the State. They received ample support by way of grants in aid from the rulers both during the pre-independence period and in the post independence period. It is this strong private sector - government partnership that has led to the present pre-eminent position of Kerala in school education. It was not merely grants-in-aid which the rulers offered. In the past, they also made outright donation of government lands, building materials and the funds.

As noted earlier, the present state of Kerala was formed by the integration of Travancore and Cochin in 1949 to form the Travancore-Cochin State and by merging the Malabar district of the erstwhile Madras Presidency with it. Therefore, for tracing the evolution of grant-in-aid policies towards secondary education in the State, one has to follow the developments in the three erstwhile regions separately.<sup>9</sup> Our discussion on the Grants in Aid Policy in this paper covers only the more recent period, ie. from the formation of Travancore Cochin State.

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<sup>9</sup> For the historical account of Kerala's educational development and the Grants in Aid policies prior to independence, See P.R. Gopinathan Nair, (1981 and 1989) A. Abdul Salim and P.R. Gopinathan Nair, (2002).

#### **Grants in Aid in Travancore- Cochin State**

Following the formation of the Travancore-Cochin State in July 1949, unification of grant-in-aid and education codes became necessary. A landmark in the history of school education in Kerala was the introduction of the Private Secondary School Scheme (PSS) in 1950. The Scheme was intended to offer better service conditions to the teachers and ensure efficient running of private schools. According to this scheme, eighty percent of the fees collected was to be remitted in the treasury and the balance to be retained by the management to meet the contingent and other expenses. The government would pay the salary of the teachers directly. The scheme also provided for a contributory provident fund. The managements could appoint teachers only from a list prepared by the government. Many managers viewed some of the above provisions as an attempt to infringe on their rights and freedom in running the schools. They also felt that the 20 percent of the fees collected set apart for the managements was quite inadequate to meet the expenditure on maintenance, equipment, payment to non-teaching staff etc. As a consequence of the objections from the private managements, the scheme was diluted by deleting some of the regulatory provisions. The Private Secondary School (PSS) Scheme of 1950 brought additional burden on the State. Further, when fee was abolished in middle schools, the private managers were to be compensated for the loss of their revenue.

#### **Kerala Education Bill of 1957**

Another landmark in the history of school education in Kerala was the introduction of the Kerala Education Bill in 1957. Apart from unifying the educational codes of Travancore-Cochin and Malabar, the bill was intended to eliminate the practice of payment of salaries to teachers below the rates prescribed by the Government and to prevent corruption and nepotism in the appointments in private schools.

The bill also had provision for better security of tenure to teachers. A very important provision of the bill pertained to direct payment of salary to the teaching staff in aided schools. The bill also imposed restrictions on the rights of the management in making appointment. The bill, therefore, invited wide protests from the managements. However, the bill was passed and a slightly modified version of it got presidential assent in February 1959. On account of this bill as well as other socio-political developments, the communist ministry, which enacted the bill, was thrown out in July 1959. The next government yielded to the pressure of the school managements and amended certain sections of the Education Bill particularly those relating to the appointment of teachers in the aided schools. The result is that the private managements are now free to appoint anyone with the minimum qualification as a teacher overlooking the relative merits of the applicants.

The financial burden on State exchequer on account of direct payment to private schools has become very heavy. The government spent Rs.1191 crores on private aided schools in 2000-01, of which Rs.474 crores was for Private Secondary Schools.

### **Grants in Aid Policy- The Present Position**

According to the grants in aid policy prevailing at present, the salaries and pensions of teaching and non-teaching staff are paid by the government directly without routing them through the school managements. There is no difference in the grants-in-aid policy towards different levels of schools, viz. primary, upper primary, secondary and higher secondary schools. For that matter, there is not much of a difference in the grants in aid policy towards schools and colleges except that the tuition fees collected by the latter are to be remitted to the treasury. The only difference between the government schools and the private aided schools as far as the financial commitment of the State government is concerned, is with

respect to capital expenditure. For government schools, the government has the additional responsibility of meeting the capital expenditure needs.

### **Decentralised Planning**

Since the introduction of decentralized planning in 1996, maintenance and development activities of government schools have become the direct responsibility of local bodies. Under the three tier system of local administration, Upper Primary Schools, High Schools and Higher Secondary Schools come under the control of the District Panchayats. Village Panchayats control the Lower Primary Schools. In the Municipal and Corporation areas, government schools at all levels are controlled by the concerned local body. For maintenance, construction etc. the required funds are routed through the local bodies by the government. In addition, the local body can utilise a portion of the unassigned grants received from the State government and their own resources for development of schools.

### **Maintenance Grants to Private Aided Schools**

In addition to paying the salary of the teachers and non-teaching staff, the government provides maintenance grant to the aided schools on the basis of the number of students enrolled. Presently, the managers are given maintenance grant of Rs. 3.25 per student for lower primary and upper primary (Up to Class VII) and Rs. 5 for secondary classes per annum. The maintenance grant is paid to the manager of the aided school for the following purposes:

1. Petty construction and repairs and annual maintenance of school building including compound walls, gates, wells, school premises, play grounds and replacement of tube lights and other electrical fittings.

2. Purchase of educational appliances such as globes, maps, charts, apparatus for teaching geography and allied subjects and instruments of mathematical drawing.
3. Repairs to furniture and its replacement.
4. Office expenses and miscellaneous stationery, postage and telegraph charges.
5. Contingencies for purchase of chalk, dusters, cleaning materials, buckets, ropes registers and forms etc.
6. Purchase of books and periodicals relating to education other than books of school library.
7. Raw materials for craft education
8. Kindergarten and sewing appliances
9. Water charges and expenditure on gardening
10. Electricity charges
11. Traveling allowances to the staff of the school for journeys to the Government Treasury for remittance of fee collections and encashment of salary bills.

Discussions with the private aided school managers revealed that the present rate of maintenance grant (Rs 5/- per pupil) fixed as early as in 1979 is hardly sufficient to meet the maintenance expenses of these schools. They are disbursed after much delay. In view of the smallness of the amount and the high transaction costs in getting it, many managers do not make an attempt to get these grants.

### Special Fees

The special fees collected from the students is yet another source of revenue for schools. While the maintenance grant is allotted to the manager, the Head Master is entrusted with the responsibility of utilizing the amount collected through special fees. The special fees include games fee, library fee, laboratory and technical

subjects fee, stationery fee, hobbies and craft fee, fee relating to excursion, scouting, fees for audio visual education and festival activities. The present rate of special fee is Rs. 13.50 per student per annum. The details are given in Table 19. These fees are grossly inadequate.

Table 19: Special Fees Per Pupil per annum in Secondary Schools

Type of Fees	Amount (Rs.)
Games Fee	3.00
Library Fee	2.00
Laboratory fee and fee for technical subjects	2.00
Stationery Fee	2.50
Hobbies and craft fee	0.50
Excursion, scouting, etc.	1.00
Audio visual education	0.50
Festival activities	2.00
Total	13.50

### IV

Due to historical reasons, private aided schools occupy a pre-eminent position among the schools in Kerala. This situation has come about largely as a result of the liberal grants-in-aid policies followed by the State. The policy of encouraging private schools by the government rather than starting schools on their own is a legacy of the policy followed by the erstwhile Travancore and Cochin states. There were several reasons for this. By encouraging private initiative in the educational field, government could save on the capital expenditure and a portion of recurring expenditure. This helped the State to reduce its fiscal commitment to some extent. Secondly, the initiative for spreading education in Kerala often came from Christian missionaries from the West, local parishes and community organisations. The State was mostly responding positively to these initiatives.

In Malabar, apart from Grants in Aid from the government, the local bodies played a major role in financing education. Some of the proposals like special levies for education, which are being discussed currently for augmenting the resources of the school systems can be traced to the past. For instance, the Taluk Boards started in 1884 in Malabar had provision for imposing land cess, professional tax and entertainment tax for financing schools run by them. The Madras Local Boards Act (later renamed as Madras District Boards Act) had given powers to the District Boards for levying surcharges on land revenue, which was around 10.7% of the land revenue collected. They were also allowed to impose surcharges on professional tax and several other levies. In the Municipal areas, education tax was levied as surcharges on Property Tax, the rate of which varied from Municipality to Municipality.

Grants-in-aid policies of the governments in the pre-independence period had many positive features which are relevant to the present discussions on financing of education in the context of the State's escalating fiscal crisis. For instance, the grants-in-aid policies had not underwritten the total costs, not even the total recurring costs of private schools. It always had matching provisions. There were also attempts to target the grants to achieve the State's educational priorities. For instance, efforts were made linking the grants to attendance of students. Grants-in-aid were targeted specifically to increase the enrolment of students belonging to backward and depressed castes as also girl students. Fees in their case were gradually reduced and subsequently abolished. The private managements were compensated for the loss of income arising from these progressive measures. Kerala's achievements in reducing educational disparities between genders and between forward and backward castes owe much to the positive discrimination features built into the grants-in-aid system. Grant in aid policies of the State in the past had certain inherent strengths. They could ensure community and local participation in educational development. Besides, grant in aid policies were used

as inducements for introducing government regulations on salary and service conditions of teachers, their minimum qualifications, the structure of fees, curriculum, textbooks, inspection etc.

The present Grants in Aid policies do not have any specific targets. It does not link grants with any type of performance indicators. There are yet other weaknesses in the present grant-in-aid policies and practices. The rates for maintenance grants were fixed long ago in 1979 and they are not revised periodically. Considering the present day costs, the maintenance grant given is woefully inadequate. Besides, these grants are not released in time. At present, under the system of decentralized planning, grants to the government schools are routed through the local bodies. These bodies also use part of their plan grants for the development of government schools under their jurisdiction. But there are complaints that the local bodies pay more attention to new constructions rather than to maintenance work for a variety of reasons, not all of which are academic. In any case, the majority of schools, which are in the aided private sector do not get financial support from the local bodies.

The grants in aid system and the government regulations that followed helped to prevent many malpractices of the private managements. For instance, the introduction of direct payments ensured that teachers in private schools are paid salaries fixed by the government. Prior to the direct payment system, many managers did not pay the full salaries to the teachers though they obtained receipts from the teachers for the full amounts. The establishment of parity in pay and service conditions between private aided school teachers and the government school teachers improved the lot of the former. Government regulations backed by strong teachers' unions ensured job security. The collective bargaining capacity of teaching and non-teaching staff boosted their salary and pension levels. All these made teaching profession attractive and one would have expected the profession to attract the best talents. But just the opposite happened in aided schools.

Worst practices of corruption, nepotism and communalism in teachers' appointments have crept into the system. These practices keep growing as salaries are revised. In fact, it is the pecuniary attractiveness of the profession that has scaled up the rates of corruption. Under the direct payment agreement between the private managements and the government, appointments in aided schools are made by the managements while salaries are paid by the government.

Instances of auctioning appointments are very common. Large sums of unaccounted money (in lakhs) change hands. Obviously, quality of teachers suffers as the most eligible candidates are not the ones selected as teachers. The very purpose of introducing direct payment and establishing parity in pay and service conditions between the government and aided school teachers, namely attracting the best talents to the teaching profession is thus defeated.

What has emerged in the State's educational scenario as a result of the present liberal Grants in Aid policy is a sort of 'pseudo-privatisation' vesting ownership and management with the private agencies while almost all expenditure is met by the government and the hapless aspirants to teaching profession. It is a perfectly attractive situation for the managements all the way. Without investing any money on their own, most of the private managements are able to own and manage institutions and in the process exercise power and extend patronage. So, many of those who come forward to start educational institutions today, unlike their counterparts of the past, are not guided by any altruistic motive. What attract them are money, influence and the opportunities available for promoting their personal and sectarian interests. At least to a few of the managements, running an aided school is also an attractive commercial proposition especially since it does not necessitate any promoters' contribution except the initial investment in getting sanction for the school. With the present situation, there is a big clamour for starting schools in the private aided sector. Strong lobbies operate and the coalition governments in the State, very often succumb to these pressures. The

State's present fiscal disability and the decreasing number of students are the only obstacles which stand in the way of sanctioning more aided schools.

One has to accept, however, that there is a positive side to the corruption in appointments in aided schools. Most of the managements utilize at least a major portion of the money collected from the staff for making capital investments, and maintenance and also for developing library, laboratory, computer centre etc. As a result, the facilities available in most of the aided schools are better, compared to those in government schools. This may be one of the reasons why students in the aided schools perform better in the examinations though the academic merit of teachers is not as high as in the government schools. It is an irony that the infrastructural facilities of a majority of private aided schools today are built on the foundation of corruption. The system runs smoothly thanks to the circulation of black money.

Despite high salaries and job security of teachers underwritten by liberal grants-in-aid, the educational standards in the State are falling. The failure rate at the secondary school leaving stage is around 50 per cent every year despite liberal valuation and moderation. Performance cohort of the students from Kerala at the all India competitive examinations for admission to higher education is quite unsatisfactory.

There are many reasons for this situation. The low quality of teachers in aided schools appointed on extraneous considerations is one of the reasons. As for the government schools, they are the victims of the severe resource crunch of the government. We had noted earlier that the share of plan expenditure and capital expenditure in total expenditure on secondary schools has been coming down steeply. The component of capital expenditure in secondary education is negligible (0.1 per cent). The salary component eats away all funds available. Unlike their counterparts in the aided sector, they have no access to 'donations' either from the

teachers or from the students. They depend solely on the resource starved government. As a result, infrastructural facilities and students' amenities are grossly insufficient. Maintenance also suffers. The major source of finance for library and laboratory is the special fees collected from students which are quite meagre. In brief, secondary education in the government schools and private aided schools (the non-corrupt ones) is grossly under funded.

Under funding is not confined to the school system. The entire education system in the State is now facing the problem of gross under funding partly due to the growing fiscal crisis of the State. Besides, the share of educational expenditure in total expenditure, particularly plan expenditure has been decreasing in recent years. The share of education in total revenue expenditure of the government which stood at 38.7 per cent in 1978-79 came down to 22.6 per cent in 1999-2000. This trend has got to be reversed if the major problem of resource crunch leading to decline in quality in the education sector in the State is to be arrested.

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