

Role of Private Sector Investment in Education of Meghalaya

S.C. Subudhi *

Abstract : *Quality education is the concern of the society in the context of sustained growth and paramount shift in the secondary education system across the country. Therefore, the Public-Private Partnership (PPP) is focusing on the potential role of the private sector for expanding equitable access and improving learning outcomes which provides an avenue to tap untapped private resources, and ease financial constraints. To support the private education sector, there is already an existing flourishing private education market in India in general and Meghalaya in particular. In North Eastern States, the improvement in the quantity and quality of the educational institutions cannot be achieved without enlisting and unleashing the full and active participation of the private sector in the expansion and upgradation of educational facilities and operations. This can be achieved by policies to encourage investment in education and incentives for delivering quality content.*

Keywords: *Quality Education, Public-Private Partnership (PPP), Resources, Monetary Returns.*

Introduction

Education is an important determinant of the economic well-being of Indian households. Along with the monetary returns, it appears to be linked to other dimensions of well being like health, investments for the next generation, social networks and public involvement. Education is universally recognized as one of the most fundamental building blocks for human development and reducing poverty. As the demand for education increases and resources remain scarce, schooling does not reach all members of society equally. After independence, the provision of schooling is largely provided and financed by governments. However, due to unmet demand for education coupled with shrinking government budgets, the public sector in several parts of the world is developing innovative partnerships with the private sector. Private education encompasses a wide range of providers, including for-profit schools (that operate as enterprises), religious schools, non-profit schools run by NGOs, publicly funded schools operated by private boards, and community owned schools.

There is a program called the Public-Private Partnership (PPP), where the rationale is the potential role of the private sector for expanding equitable access and improving learning outcomes. Also PPP provides an avenue to tap untapped private resources, ease financial constraints, as private sector make huge investments on its own. Private and public sector complement each other because total resource base will increase. It improves access to education, increase in quality of education, increases

* *Asst. Professor, Department of Education, NEHU, Tura Campus, Tura, Meghalaya.*
E-mail: sibasubudhi@rediffmail.com

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competition, reduce costs, improves cost-effectiveness, and efficiency associated with private sector improves accountability. Therefore, the government is stressing in PPP mainly to involve private sector in education development, privatize education system and also to get the public funding substituted by private funds. In low income countries like India, excess demand for schooling results in private supply when the state cannot afford schooling for all. In high income countries, however, “differentiated” demand leads to a demand for private schooling. By providing demand-side financing and contracting private organizations to provide support services, governments can provide better choices to parents and grant them an opportunity to fully participate in their children’s schooling. The education market highlights the importance of effective regulatory frameworks and contractual instruments to ensure quality and effective use of public resources.

Managing Private Sector

For funding and management of the private sector investment in education, there are four principal types of schools: (i) Public schools, which are publicly funded and managed, typically by state or local governments, with a relatively small number by the central government; (ii) Aided schools, which rely on a combination of public and private funds and are managed privately; (iii) Unaided private schools, which are privately managed and generally self-financed but may receive one-off government grants to finance specific capital expenditures; and (iv) Recognised private schools have been approved by relevant education authorities and are affiliated to the central or state boards of education, thereby entitling students to sit board examinations.

PPPs will be an improvement over private unaided institutions, which are virtually a law unto themselves. The working group spells out for PPP options: one, where the private sector invests in infrastructure while the government runs the operations; two, where the private sector invests in infrastructure and runs the place while the government pays for it; three, where investments are shared but operations are vested in the private sector; and finally, where the government invests in infrastructure, but the private player runs the operations.

Higher education of any nation deserves people’s participation, not just by enrolment. Private philanthropy has a dominant role, so has the corporate investments. Improved quality human resource directly benefits the corporate sector, whose contribution to higher education has not so far been significant in India. The Indian higher education system has exhibited impressive growth over the last decade to become one of the world’s largest systems of higher education. The number of institutions has grown at 11% while student enrollment has grown at 6%. The Gross Enrollment Ratio (GER) currently stands at about 13.8%. However, the Indian higher education system faces the challenges of ensuring equity and quality. The private sector could play a key role in dealing with these issues through innovative models supported by an enabling regulatory framework and environment.

In India, a major initiative which aims to improve nutrition standards, and raise enrolment and attendance is the Mid-Day Meal (MDM) Scheme for children enrolled in elementary government schools. Under the Rashtriya Madhyamik Shiksha Abhiyan initiative, for example, the central government provides 75% of funding, rising to 90% in poorer north-eastern states. The number of private schools and higher education institutions has risen strongly and National Sample Survey (NSS) data indicate that household spending on tuition fees alone amounted to around 0.9% of GDP in 2007-08.

The government has also set ambitious goals to raise participation at the secondary and tertiary levels. Under the Rashtriya Madhyamik Shiksha Abhiyan initiative it is planning a rapid expansion in the

number of secondary schools with the aim of achieving universal lower secondary enrolments (up to and including grade ten) by 2017 and universal retention by 2020 (MHRD, 2010). Similarly, the government is aiming to lift the tertiary enrolment rate to 30% by 2020.

Private schools are most common in urban areas and tend to attract students from higher socioeconomic groups. However, spurred by demand from parents, large numbers of unaided private schools have also emerged in poor communities, as well as in rural areas, expanding private school access to relatively poor households. These schools are run on a low-cost model, allowing them to offer low tuition fees. The strong demand from parents, even those of modest means, for private school education reflects dissatisfaction with public schools and a view that private schools offer higher-quality education. One specific reason cited by parents for sending their children to a private school is a perception that teachers are less absent and more committed (Desai et al., 2008).

Parent's Perceptions

What could be the reasons behind the parent's positive perceptions regarding the private schools investments and commitments in the enhancement of the quality of education?

To support these questions, I have taken the example of North Eastern States especially Meghalaya in General and West Garo Hills in particular with reference to the quality of education that the private sector invests in education. The rising scenario could be assessed by the way the students achieve academically higher and the outcome they generate is satisfactory. It is seen that a large number of students from the private schools enter the professional disciplines such as management, engineering, medicine etc. and play a significant role in contributing to the growth of higher education sector as well as for supporting multi-national companies for raising the global economy. As analyzed by the National Skill Development Corporation (NSDC), there is scope for absorbing skilled workers of different levels in sectors such as handloom, handicraft, horticulture, fruit processing, hospitality, construction, healthcare and mining enabled services within Meghalaya, which is a platform for the youth for their standard livelihood and production.

A second reason is that private schools offer instruction mostly in English, which has been shown to raise earnings potential. Moreover, perceptions concerning the superiority of private schools have been confirmed by a number of school surveys (Muralidharan and Kremer, 2007, Tooley and Dixon, 2007, Desai et al., 2008 and Goyal). Given their fluency in English, the workers of Meghalaya can potentially look for jobs in hospitality, retail services, healthcare, IT and IT-enabled services, and as airport / airline staff outside the state as well. Unfortunately, the youth, who constitute 35% of the population, are unable to compete for these jobs because of the poor state of Meghalaya's secondary education and skills development programs. It is estimated that 60% of the secondary schools do not have science laboratories, 42% do not have separate toilets for girls, while 27% do not have access to reliable drinking water. Only 36% of Meghalaya's teachers at the secondary level are trained as against the national average of 90%. The drop-out rate at the secondary level is high because of the poor learning environment in schools, and the overall disconnect with the state's skill development and vocational training programs. While 90% of the employment opportunities require vocational skills, Meghalaya's education system continues to focus on rote learning (SSA-Meghalaya-2007).

Private Participation and Quality of Education

Does private participation mean higher quality education? Does it bring better exam results? Can it encourage greater equality? Evidence shows that in the independent sector, where schools depend on

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fees, it is often the case that once you control for family background; the actual benefits of private schooling disappear. But in systems where access is not limited by selection or wealth, privately-managed schools can contribute to better outcomes. The picture in our country in general and Meghalaya in particular is that, involving the private sector can improve school performance through competition, accountability and autonomy, as well as expand access. However, without strong systems of accountability, private schools with public funding aren't likely to produce large gains.

Now what can Meghalaya do to avail of these emerging opportunities? Foremost priority must be given to education of all types and at all levels. It should now be clear that Meghalaya's different tribal population can be converted into a tremendous development asset by equipping all its people with the requisite knowledge and skills. Whatever the state may be lacking, intellectual capacity is not among those deficiencies. But development of that native capacity to its full potential will require an enormous commitment and effort by the entire society. The state of Meghalaya's leaders need the clarity and far sight of vision to see that knowledge in all its forms offers a key to the emergence of the state as an wealthy state.

Investment in Education

Human resources are the most important determinant of overall development. But full development of Meghalaya in general and country in particular has enormous human potential which can shift for greater financial resources to the educational sector. India currently invests 3.4% of GNP and 12% of total government spending on education, which subsequently low in the state of Meghalaya, is unfavorable to the human civilization of the state in specific and country in general. A tremendous expansion of the number of trained teachers will be required to support a quantitative and qualitative improvement in the school system of the North-East where the training of such large numbers will require the establishment of additional teachers training institutions and larger budget allocations for teachers' salaries.

Expansion of Access

A tremendous expansion in the number of schools and classrooms will be required to support a quantitative and qualitative improvement in the region's school system. In order to achieve this, the total school enrolment would have to be increased and that would require a proportion expansion in the number of classrooms too.

Role of Private Sector

The education sector in India in general and states in specific are experiencing rapid expansion and change. Governments have implemented new initiatives and increased spending to encourage greater enrolment and attendance at the school level. In higher education, they are seeking to implement wide-ranging changes to the regulatory framework. At the same time the rising affluence and aspirations of households is spurring strong demand for education at all levels and the traditional dominance of the public sector as a provider of education is receding. The dual challenge now is to build on the considerable progress made in lifting participation and, equally important, improve the quality of education outcomes through Public-Private- Partnership (PPP). To support the private sector participation in the state, there is already an existing flourishing private education market. Survey in India (1999) points out that most private schools of the state have better infrastructure, favorable pupil-teacher ratios, and quality trained teachers to carry out their education smoothly. In addition to the purely fee charging private schools, there are largely privately-managed but publicly funded

secondary schools in urban and semi urban areas of the state. In the state, the government aided schools are set up by the private sector partners, which bear the entire capital cost from the government but taking responsibilities for management of the schools. After the school has run in the private unaided mode for some time, the government provides grants in the form of teacher salary for a certain sanctioned strength. However, since the government does not provide non-salary recurring cost, schools usually arrange a separate fee in different forms.

In North Eastern States, the improvement in the quantity and quality of the educational institutions cannot be achieved without enlisting and unleashing the full and active participation of the private sector. Introduction of more modern curricula, upgrading teaching skills and standards, more efficient management of schools and financial resources, and innovation in teaching methods will all require strong involvement by private corporations. This can be achieved by policies to encourage investment in education and incentives for delivering quality educational contents.

The Private Sector Investment in Meghalaya

Meghalaya's State Development Report 2008-09 emphasizes the need to strengthen physical infrastructure to widen the economic base, and for increased investment in human capital development for improving the coverage and quality of education and health care, and promoting skills development and vocational training, so that the economy can shift from being predominantly agrarian to higher value-added activities. Government of Meghalaya (GoM) is, therefore, committed to developing its human resources to enhance their employability and income-earning potential. It wants to strengthen the large network of government aided and ad-hoc secondary schools in which the majority of the state's poor students study emphasizing placement-linked skill development involving the private sector. A "Skills Challenge Fund" (SCF) which is outcomes-based skill development through PPPs will be established to provide Government of Meghalaya with a flexible modality to draw in private sector skills providers for imparting industry-linked or demand-based training in priority areas. The State Curriculum Framework will also be open to government entities, industrial training institutes, and polytechnics to incentivize them to redesign and improve their own programs. The MoUs with private and public skills providers may lay down placement and quality-linked benchmarks in the state. The project will also fund hardware and software selectively (e.g. management information systems, V-SAT links, training equipment, computers, projectors etc.) to improve the delivery and reach of skills training in priority areas. Also, the various Departments of Government of India should support for Human Capital Development in Meghalaya to improve the quality and delivery of secondary education, including teacher training, and skill development programs, thereby reinforcing the efforts of the Government of Meghalaya (GoM) towards developing the state's human capital. According to the National Skills Policy (2009), skill development should be opened up to the private sector and decentralized to the state level. The National Skill Development Corporation (NSDC) have analyzed and showed that there is scope for absorbing skilled workers of different levels in sectors such as handloom, handicraft, horticulture, fruit processing, hospitality, construction, healthcare and mining enabled services within Meghalaya. As most skill development programs are funded by central ministries, GoM has limited flexibility in tailoring them to meet the state's emerging priorities. The picture of the state scenario indicates that, more than 20% of public education expenditure goes to private institutions – communities, non-governmental organizations (NGOs), faith-based organizations, small informal providers and individual practitioners.

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Conclusion

There is an urgent need to address the deficiencies being faced by the state secondary education sector. However, one-sided response to it would not solve the problem. The best option is the middle path. To sustain the quality in education sector, PPP has to operate in order to enrich certain dimensions of the system such as curricula, teaching-learning process, teacher training, student support services, evaluation procedure and administrative management of private institutions of the state.

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