The Twelve year schooling in India is provided by the state/central government, institutions that get ‘aid’ from the government and institutions managing to make their own funding. Cost structure for the education providers differ for each category, along with the ambiance and value additions, but the core part of the product is considered ‘homogeneous’. Stake holders in the education economy, viz, the government, teachers, students and parents have differing scales of cost and benefit. Present paper is an analysis of economy of school education vis-a-vis the stake holders and the product.

Key words: government aided schools, private unaided schools, and social cost.

INTRODUCTION

In India, schools are run by central/State/local governments, private charitable/corporate institutions and individuals. Some private schools get financial aid from the government, while rest of them are not supported financially by the government and are expected to generate their own funds. In all, there are 36,505 government schools, 8,266 private schools receiving government funding and 10,896 private schools not funded by government. There are nearly 58,52,896 (43.33%) students in government schools, while number of students in aided schools are 33,01,845 (24.45 %) and self-financing schools are 43,51,054 ( 32.22%). Primary education starts in India at the age of five (not considering the preschool kinder garden) and is for a period of twelve years, say up to the age of seventeen, the age that is mandatory requirement to join college/university for pursuing higher education.

The first high school was started in 1841, and at that time schooling consisted of 11 years, ending up with a secondary school certificate exam by the centralized agency. (Pre university classes were conducted by colleges till then) The Higher secondary system, namely (10+2) was established in 1978 in Tamil Nadu, as well in rest of the country. In 1973, the first private unaided school was started. In 2005 number of government schools was 34,532, private aided schools were 8,455 and private unaided schools were 8,542. It may be noted that between 2005 and 2012, 1973 schools were started by government and the private unaided had started 2354 schools. This shows shift in school ownership from government to private.

Medium of Instruction

In most of the government and aided schools, medium of instruction is Tamil while in most of the private unaided, medium of instruction is English. Normally in government aided schools, students are taught the conventional examination oriented subjects like mathematics, science and social studies, along with languages. In private-unaided schools, along with the conventional subjects, students are taught non conventional subjects like Hindi, Sanskrit, Music, Drawing, Swimming, Singing, Sports and Games.

*Professor and **Ph.D.Scholar, Economics Division, Vellore Institute of Technology University, Vellore (TN), Email-ID: drhariharannp@gmail.com and sivagunam1126@gmail.com
Teacher School Ratio

The teacher per school in government-aided is 2.59 which means that there are less than 3 teachers for conducting five classes at primary level, for six subjects. Either the teachers may have to combine classes or subjects in order to engage the students or the teaching learning process becomes the casualty. In 1,115 primary schools (4.91%), there is only one teacher, managing all sections and all students. For the government aided primary schools, the average number of teachers per school is 4.79 it would mean that there is just sufficient number of teachers for handling each one of class. If a teacher is on leave on any particular day of the week, the teachers on duty may have to handle more than one class at a time, the government sources say that the paucity of teachers is caused by retirement, non-filling of vacant posts and delay in recruitment process.

In private unaided primary schools, the school to teacher ratio is 1: 8.17. Usually in these schools, students are taught, singing, dancing, elocution, computer, yoga and life skills along with conventional examination oriented subjects, the teachers in such schools are made to do multi tasking and so, the students and the teachers are fully engaged and are much better in learning process than their counterparts in government-aided schools.

Table 1  Number of Schools in Tamil Nadu

<table>
<thead>
<tr>
<th>Category</th>
<th>Government</th>
<th>Private Aided</th>
<th>Private Unaided</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>23,522</td>
<td>5,071</td>
<td>6,278</td>
<td>34,871</td>
</tr>
<tr>
<td>Middle</td>
<td>7,651</td>
<td>1,608</td>
<td>710</td>
<td>9,969</td>
</tr>
<tr>
<td>High</td>
<td>2,844</td>
<td>543</td>
<td>1,780</td>
<td>5,167</td>
</tr>
<tr>
<td>Hr. Sec</td>
<td>2,488</td>
<td>1,044</td>
<td>2,128</td>
<td>5,660</td>
</tr>
<tr>
<td>Total</td>
<td>36,505</td>
<td>8,266</td>
<td>10,896</td>
<td>55,667</td>
</tr>
</tbody>
</table>

Compared to the number of primary schools, there are less number of middle schools, high schools and higher secondary schools. As the higher classes are taught, number of schools shows the tendency of inverted triangle. There are 7651 middle schools, 28,454 high schools and 2,488 higher secondary schools run by the government. There is also appreciable decline in the number of teachers from 60,986 at the primary level to 49,646 at the middle school level and 45,540 at to higher secondary level. The teachers to schools ratio shows a increasing tendency with 1: 6.48 teachers at the middle school level, 1: 18.8 teachers at the high school level and 1: 18.30 at the higher secondary school level. Except at the primary level, the teachers to school ratio at the government schools does not look grim.

Among the private aided schools, there are 16,410 teachers in 1608 schools with an average ratio of 10.2. This may be because the aided schools run multiple section of each class. The number of teachers in aided high schools is 28,781, with an average of 53 teachers per school. At the higher secondary level there are 25,626 aided school teachers employed in 1,044 schools with the teacher’s schools ratio of 24.54.In Tamil Nadu, there are 10,896 private unaided schools which employ 244,716 teachers (19.5% of private unaided schools employing 44.51% of teachers) while there are 44,774 government aided schools employing 304,975 teachers (81.5% of government aided schools which employ 55.49% of teachers).
Teacher Student Ratio

There are 13,505,795 students in all the schools in Tamil Nadu from primary level to higher secondary of them, 9,154,741 students in government ‐ aided schools (67.78 %) while 4,351,054 students in private unaided schools (32.22 %). Teacher student ratio for government ‐ aided schools work out to be 37.4 while for private unaided schools 14.26.

The student- teacher ratio is not consistent for all the classes from primary to higher secondary. For government aided schools, the ratio is 1: 27 (at primary), 1:29.6 (at middle school), 1:12.2 (at high school) and 1:54.3 (at higher secondary). For private unaided schools, the teacher student ratio is 1:16.9 (at primary) 1:20.6 (at middle), 1:9(at high school) and 1:28.6 (at higher secondary).

Cost of Education

The private unaided schools do not get any grants or funding from the government. The charitable institutions, administrating a few schools, do private funding to the schools from the funds earmarked. Most of the private unaided schools have to collect money for running the schools, and for them tuition fees seem to be the only legal option. Depending on popularity of the school and demand for admissions, some schools charge prohibitively higher charges. The primary schools collect anywhere between INR 300 to INR 18,150 per admission, while the ongoing rate for middle school is INR 1900 to 32,850 per annum, for high school, it is INR 400 to INR 22,450 and for higher secondary it is INR 1100 to INR 26,600 per annum.

Table 2 Number of Teachers in Tamil Nadu

<table>
<thead>
<tr>
<th>Category</th>
<th>Government</th>
<th>Private Aided</th>
<th>Private Unaided</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>60,986</td>
<td>24,338</td>
<td>51,352</td>
<td>1,36,676</td>
</tr>
<tr>
<td>Middle</td>
<td>49,646</td>
<td>16,410</td>
<td>9,373</td>
<td>75,429</td>
</tr>
<tr>
<td>High</td>
<td>53,648</td>
<td>28,781</td>
<td>1,00,740</td>
<td>1,83,169</td>
</tr>
<tr>
<td>Hr. Sec</td>
<td>45,540</td>
<td>25,626</td>
<td>83,251</td>
<td>1,54,417</td>
</tr>
<tr>
<td>Total</td>
<td>2,09,820</td>
<td>95,155</td>
<td>2,44,716</td>
<td>5,49,691</td>
</tr>
</tbody>
</table>

In government–aided schools, no tuition fee is charged from primary to higher secondary. For all the students from class I to V, free noon meal scheme is provided free uniforms (at present two sets are given) students from primary to higher secondary, text books and free bus passes are given, while students of classes XI to XII are provided with free bi-cycles and laptops. The free uniforms cost the state exchequer annually INR 164.72 crores, supply of footwear for school students INR 100 crore, text books INR 217.22 crores, note books INR 150 crore, bus passes INR 323.70 crores, bi cycle INR 200.98 crore, woolen sweater for hilly station students INR 4.12 crores and educational kits INR 136.50 crores. All the students from class I to XII are given free school bags, and for those in classes I to V a set of color pencils and for those in classes VI to IX geometry box and Atlas are provided.

Teacher Credentials

In Tamil Nadu, 97.16 % of teachers in all the schools are professionally qualified, 99.47% in government aided schools and 92.6 % in private unaided schools. Either way, professionally
qualified persons are only engaged for taking classes from primary to higher secondary. Among the total number of teachers, 12.94 percent handle higher secondary classes, and 2.88 percent of them are having PhD qualification (along with professional qualification).

**Teaching Learning Process**

The private unaided schools, along with conventional subjects like Mathematics, physics, Chemistry, biology, and languages, regular classes are held to provide training in Type writing, singing, dancing, higher computer learning, swimming, elocution, public speaking and leadership, Indian languages (Tamil Hindi, Kannada, Telugu, Malayalam, Urdu, Guajarati, and Sanskrit), foreign languages (Persian, French, Arabic, German and Latin) First aid, Karate and Yoga. Students are given opportunities to organize service camps, medical camps and social awareness camps. Students are also provided “classes on demand” during summer vacation. All these help in value addition for the students in private-unaided schools.

**Teacher Emoluments**

Teachers in private unaided schools are paid much lower wages, generally, compared to government – aided school teachers. The average annual income of a government aided teacher works out to INR 400, 000 while, the average annual compensation for private unaided teachers’ works out to less than INR 150,000. The government aided teachers are protected with respect to their salary, tenure, promotions and workload. Even if the students strength falls below optimum level (say to single digit) the teachers is protected in his tenure of office. By virtue of being in government service, these teachers are able to get credit from the banks (for housing, consumption and purchase of vehicles). The private unaided teachers get a lower pay, and are not protected in their tenure of office. They are mostly not eligible to get loans from the financial institutions. Attrition rate is higher among the private unaided teachers. Once a teacher is able to set recognition as ‘efficient’, he/she can always shift to a better school at better pay and working conditions, the smaller schools become the training ground for good teachers and in the process, better schools get better teachers, better students and are able to charge higher tuition fee from the students. Smaller schools, sometimes, are unable to withstand the competition, and employ only fresh inexperienced teachers and are not able to get better students or charge higher fee.

**Table 3 Number of Students in Tamil Nadu**

<table>
<thead>
<tr>
<th>Category</th>
<th>Government</th>
<th>Private Aided</th>
<th>Private Unaided</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>1,463,767</td>
<td>8,47,432</td>
<td>8,68,772</td>
<td>3,179,971</td>
</tr>
<tr>
<td>Middle</td>
<td>1,383,756</td>
<td>5,76,183</td>
<td>1,92,703</td>
<td>2,152,642</td>
</tr>
<tr>
<td>High</td>
<td>7,20,381</td>
<td>2,92,370</td>
<td>9,03,997</td>
<td>1,916,748</td>
</tr>
<tr>
<td>Hr. Sec</td>
<td>2,284,992</td>
<td>1,585,860</td>
<td>2,385,582</td>
<td>6,256,434</td>
</tr>
<tr>
<td>Total</td>
<td>5,852,896</td>
<td>3,301,845</td>
<td>4,351,054</td>
<td>13,505,795</td>
</tr>
</tbody>
</table>

*Source: For Annexure I, II and III Department of School Education 2011-2012*  
*DISE and SEMIS 2011-2012*
Optimal Class Strength

The government has fixed norms of 40 students per teacher per class. Data reveals that there are 30.01 students per teacher per class in government-aided schools, while 17.78 students per teacher per class in private unaided schools. After the 6th pay commission, average salary of government aided teacher works out to be INR 34,000 per month. The cost per teacher per student is INR 1100 per month and INR 13,200 per annum. Students get free less from the government, which work out INR 1200 p. a, and the social cost of education per student in government aided school is INR 2,500 (which includes free bus passes, uniforms, books, text books noon meal scheme and educational kit). In private unaided schools, teachers are paid (mostly) lower pay than the 6th pay recommended ones, and works out to an average INR 10,000 per month. With teacher student ratio (1:17.78) cost per student per teacher is INR 555 and per annum INR 6660. Students in private unaided schools are not eligible for the free less provided by the government, and the free bus passes, students have to incur expenses on text books INR 217.22 crore (2013-2014), which by government standards is INR 1200 p. a, and along with travel by school bus (@ INR 300 per month) adds up the total cost of schooling expenses per child in private school to 11, 460 per annum. With per capita income hovering around INR 72,000, and assuming the family has two schools going children, more than 25 % of income is incurred on education. With the remaining INR 50,000 and odd, the family has to look after rent, food expenses, fuel, entertainment, clothing, medicines and hospitalization. For the middle income group education in private unaided school is out of reach. Among the total number of schools in Tamil Nadu, 19.57 % are private- unaided, where 32.22 % of students are enrolled.

Income Standards and Schooling

The BPL (Below Poverty Line) for rural household is income less than INR 10,560 p.a. and for urban households, it is 11,244 p.a. incidentally, the average education expense of a child in private unaided school is almost the same as the income of a family living on BPL. One can safely conclude that no one form BPL family can afford enrolment in private unaided schools. In Tamil Nadu, BPL families account for 11.28 % of total households, and the 32.2 % of total students are enrolled in private unaided schools. Hence, the private unaided schools cater to the needs of only families who are Above Poverty Line (APL). (That is nearly 88.72 percent of households are catered by private unaided schools).

Table 4 Private School Fee Structure Range of Tamil Nadu Schools

<table>
<thead>
<tr>
<th>Category</th>
<th>Fee Range in INR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>300-18150</td>
</tr>
<tr>
<td>Middle</td>
<td>1900-32850</td>
</tr>
<tr>
<td>High School</td>
<td>400-22450</td>
</tr>
<tr>
<td>Higher Secondary</td>
<td>1100-26600</td>
</tr>
</tbody>
</table>

Source: Department of School Education Tamil Nadu (2011-2015)
Performance of Students

The higher expenses on private unaided school education are not reflected in the results of students at high school or higher secondary examinations. In 2007, 5 from government aided and 1 from private unaided were the top rankers in +2 examinations. For subsequent years, the same trend continues, (with the first numeral for government aided and the next numeral for the private unaided), 2008 (3,2), 2009 (5,5), 2010 (2,7), 2011 (0,6) and 2012 (2,2). Students are not assured of higher ranking in +2 by the nature of the schooling.

The reasons for student enrollment and higher fee structure in private unaided schools are:

- Better ambiance in the school.
- Facilities available
- Quality and economy of co students
- Experienced teachers
- School transport and connectivity
- Encouragement and opportunities given to the students
- General discipline and accountability
- Performance of students in public examinations.
- School timings.

If a school gets favorable response for all the above, demand for enrollment is high and it is possible for the management to charge higher fees from the students. Basically a good school is graded or marred by the stake holders, in particular the teachers, students, parents and the management. Good teachers stay if treatment meted out to them is good and the value of teacher in the leaning process is understood. Students are happy if the needed kind of education, care and discipline are inculcated. Parents are concerned with the accountability of the institution and the management may have to provide without constraints and apologies.

The government aided schools do not compete with the private unaided schools and they get students based on their geographical location and accessibility. Education in government aided schools does not involve any private cost (since the students do pay very little for the facilities they enjoy). But running government aided schools involve social cost (of infrastructure, human resource development, grants, staff salaries, freebees, and noon meal) and most of these institutions are working at sub optimal level and are capable of producing better education. They can think of providing life skills to students like carpentry, weaving, painting, electrician, plumbing, computer hardware, masonry, repair of electrical and electronic gadgets. Considering large scale reduction in the number of students taking up higher education, the life skill courses shall bridge gap between skill development and employment.

CONCLUSION

The private unaided schools provide lot of scope for learning in areas not covered by the examination rituals. Education is costly in private unaided schools, and the government aided schools are unable to provide the necessary ambiance and value additions that the private unaided schools provide. It is possible to rationalize the fee structure of unaided schools (as has been attempted
recently) without taking into consideration the ambiance, facilities, teacher learning process and effective teaching. Government schools should aim at providing a different kind of value additions like nurturing self employment talents. In the context of the inability of governments to open up and schools, due to financial constraints, the role of private unaided schools can be belittled. At the same time, education economy, being of prime importance in terms of future growth, should not be permitted to be exploited by adopting unethical business practices.

**References**

Government of Tamilnadu (2012), Department of School Education (2012-2013)
Government of India (2013), DISE Analytical Table (2011-2012)
Government of Tamilnadu (2012), Department of School Education (2011-2012)
Government of Tamilnadu (2012), Department of School Education (2012-2015),
Government of Tamilnadu (2013), School education policy (2012-2013)
Justice Thiru S.R Singaravelu, Chairman, Private Schools Fee Determination Committee, TamilNadu (2013)
www.dge.tn.gov.in
www.indiankanoon.org
www.pbplanning.gov.in
www.collegesintamilnadu.com
www.tnbudget.tn.gov.in (2013-2014)
www.tnbudget.tn.gov.in