



Economic Analysis on Determinants of Choice of Higher Education in Tamil Nadu

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Abstract

Education which was a “Freed Good” then now becomes a commodity which tags with different price at different market condition. Hence there is a possibility to apply all the theories of economics related to a market can be tested with respect to this commodity of education. Hence, major objective of this research focus to examine the measurement and economics of higher education in Tamil Nadu and to study the factors influence to choice higher education institutions among the students in Tamil Nadu. This study makes use of primary and secondary sources. The primary information was collected on the basis of structured questionnaire from the selected college students by the interview method. Data has been collected from 100 students, in these respondents 50 were male and 50 were female students. Data included cost with its constituents-fixed and variable and course

fee, family income, higher secondary school expenses, parental educational qualifications and factors influence to choosing the colleges. This study argue that choice of higher education in the view of

reputation of course and college, bus service to the students residence, regarding to fees policy, alumni had acquired jobs in their respected fields and possible to apply education loan and quality of education. This study contributes to the available body of knowledge on this topic and could be used by other researchers as a basis for future research.

Keywords : Quality of Education, Efficiency, Quality, Students, Fees.

Introduction

In India, higher education is the lintel of the entire educational edifice of a country. This sector has grown much faster than all other sectors of education and is poised for a bigger leap with success in university education system.

Secondary Education covers almost 15 years pre-primary to senior secondary stages-three years of pre-primary followed by 12 year of schooling. The 12 years of school education has been divided into four stages – primary, upper primary, secondary



and higher secondary stages, comprising of five, three, two and two years of education respectively. Although India adopted common pattern of higher education system, internal structure of syllabus and courses varies to universities and institutes.

India has one of the largest university systems in the world which has expanded in a big way after independence when there were only 20 universities, 1.7 lakh students and less than 600 colleges. In 2013 the number of students enrolled rose up to 17 million in 687 universities. Most tellingly, percentage of students enrolled in higher education is only 10 per cent whereas developed countries are aiming at 50 per cent enrollment.

Higher Education in Tamil Nadu

The number of students enrolled in Arts and Sciences colleges over the years 2007-2012 has been on the increase in the all type of colleges. The positive trend in collegiate education is the enrolment of number of girl students in the last 3 years in the arts and science colleges in the state. The enrolment of students increased 3,64,222 in 2007-08 it has been increased to 4,05,435 in 2010-11 in arts and science and education colleges. Towards promoting technical education in the state six government engineering colleges, three governments aided engineering colleges, 16 constituent colleges of Anna University and 431 self financing engineering colleges are functioning. Engineering education has become popular among the students passing out of higher secondary education with

marks above 70 per cent. Even first generation students are aiming for engineering courses. The three year analysis of enrolment is an indicator of the trend for an engineering degree among students in Tamil Nadu 95,808 students are enrolled in 2007-08 it has been increased 1,62,231 in 2010-11.

Scope of the Study

The present study attempts to examine the factors influence of choice of higher education among to the students after completion of their higher secondary education in Tamil Nadu. This work examines how far the students aware to knowledge of higher education in Kancheepuram and Tuticorin district. The study would provide a framework for drawing suitable guidelines for improving to higher education in Tamil Nadu.

Objectives of the Study

1. To examine the measurement and economics of higher education in Tamil Nadu.
2. To study the factors influence to choice higher education institutions among the students in Tamil Nadu.

Methodology

Tamil Nadu state was selected on the research area which is geographically divided into two regions, namely south and north Tamil Nadu. This study focused on south region ten colleges comprising of five from rural and five from urban area were selected randomly from Tuticorin district and



this same method followed on north region ten colleges in Kancheepuram district. The selected colleges from each district were again classified in to three categories – namely Government, Aided and Unaided colleges. In total 20 colleges were chosen as sample of the study, comprising of 10 rural colleges and 10 from urban colleges in the selected regions.

The primary information was collected on the basis of structured questionnaire from the selected college students by the interview method. Data has been collected from 100 students, in these respondents 50 were male and 50 were female students. Data included cost with its constituents-fixed and variable and course fee, family income, higher secondary school expenses, parental educational qualifications and factors influence to choosing the colleges.

In collected information was tabulated and analysed with help of simple statistical tools such as averages and percentages. Secondary data collected from Government records and reports.

Measurement of Education

An ideal measure of an individual's education should capture several components, including the number of years spent in school, the quality of the schooling, the nature of the curriculum, and the student's effort. Creating a measure that accurately quantifies these components is difficult. Of these components, and individual's years of schooling is the only

directly observable characteristic. We may indirectly measure aspects such as educational quality and individual ability and effort through standardized tests; however, there is disagreement regarding the reliability of such tests.¹

In microeconomic analysis that studies the variation in wages as a function of education, individuals' year of schooling is frequently used as an independent variable. This method has advantages in that such data are readily available in developed countries, but it does not account for differences in the quality or type of education received. Alternatively, individuals may be classified by highest degree completed. This measure also has problems, for example, and individual nearly finished with college is counted as a high school.

In macro economic analysis, economists often include a variable for human capital because human capital encompasses a range of characteristics such as education work experience, and health, it is extremely difficult to directly measure human capital. Any measure of a country's aggregate human capital must have the characteristics are it must be comparable across countries, it must address the broad range of criteria that comprise human capital and it must include elements of human capital for which data are available or estimable.



Choice of Higher Education, Efficiency and Quality

In the case of reforms of higher education, there can be one different type of policy intervention which seeks to simulate market like competition by fostering choice making of an educational qualification by parents. Advocates of a market will argue that creating a market-like situation in education to foster competition is an effective way to produce which are often not measurable. Each institution is unique and has been created to serve a purpose which is well-articulated in its mission. The raking will, therefore, inevitably involve identifying commonalities and focusing on basic purposes such as teaching and research. Research output can somehow be quantified in terms of publications and quality can also be assessed in terms of the 'citation index' and impact factor, but the problem lies with social sciences and humanities. In the presence of different paradigms in social sciences, it is difficult to measure research quality and compare it across borders. The dominance of English language tilts the balance in favour of English speaking countries and after all English is the language of research. Assessing the quality of teaching has been difficult though it is a major task of a university. Teaching and research cannot be seen separately as they feed each other. The quality of a university depends on the quality of its students and faculty. It has been observed in the Indian universities in order to rank higher in the ladder compromised with their student selection

policies and preferred merit-based aid rather than need-based aid. One genuine way for a university will be to identify the gaps and flaws in its performance and take steps to improve it without much of compromise with its mission.

Economics of Higher Education

Access to higher education needs to be widened in the country, in the formal system through effective innovative measures, such as a truly open system and networking of Universities. It is now imperative on the part of Indian Universities to generate their own resources to a large extent. This could be done through several methods, like raising tuition fee and collecting capitation fee (both having severe limitations) and others like, launching courses for foreign students, obtaining donations from philanthropists, etc., which have a good potential. In the globalized World, the State-protected educational system cannot withstand the pressure without making itself competitive. There seem to be four reasons to new policy initiatives should be taken by the Government in this connection. They are:

- (i) the economic returns of primary education far exceed the returns of higher education;
- (ii) the private returns on higher education far exceed the social returns;
- (iii) that the State funding for higher education is insufficient in countries like India; and
- (iv) since private sector benefits the most from higher education, it is only just that it should make a decisive contribution.

Whether one accepts the Government's

rationale or not, new strategies need to be developed for the survival and well being of the higher education system in the present scenario. Taking the problem of resource crunch in higher education at face value, some alternative ways were considered at the present situation, such as: research grants from industries, donations for admissions etc. which were found to be inadequate. It was observed that an organized structure for higher-educational fund raising and creating a culture of giving are the only possible solutions.

Choice of Higher Education

Education which was a “Freed Good” then now becomes a commodity which tags with different price at different market condition. Hence there is a

possibility to apply all the theories of economics related to a market can be tested with respect to this commodity of education. The supply and demand for various stages of education. The purchasing power of different segment of the population and the role of governments in terms of capital investment of creating social infrastructure and providing subsidies to education. The public – private share in the educational sector and its impact on economic growth can be reviewed. Even though the literacy rate of India has gone up significantly, the percentage of students goes for higher education is only around 12 per cent which is not a good sign. Choice of higher education related to parental income, marks of the students and students various perception to the higher education.

Table – 1: Choice of Higher Education in Tamil Nadu

| Sl. No. | Statements | Kancheepuram District | | | | Tuticorin District | | | | Total |
|---------|--|-----------------------|----|--------|----|--------------------|----|--------|----|-------|
| | | Male | | Female | | Male | | Female | | |
| | | Y | N | Y | N | Y | N | Y | N | |
| 1 | The college had a very good reputation | 20 | 05 | 22 | 03 | 12 | 13 | 08 | 17 | 100 |
| 2 | The course I have chosen has a good reputation | 25 | - | 25 | - | 21 | 04 | 16 | 09 | 100 |
| 3 | The fees were low in the institution | 12 | 13 | 09 | 16 | 22 | 03 | 21 | 04 | 100 |
| 4 | The college bus service is available in our area | 21 | 04 | 24 | 01 | 08 | 17 | 19 | 06 | 100 |
| 5 | The institution provide quality of education | 22 | 03 | 18 | 07 | 10 | 15 | 06 | 19 | 100 |
| 6 | The institution has a very good library | 17 | 08 | 12 | 13 | 19 | 06 | 14 | 11 | 100 |
| 7 | A large number alumni had acquired jobs in their respected fields | 18 | 07 | 14 | 11 | 13 | 12 | 17 | 08 | 100 |
| 8 | There are possibility to apply for education loan in the institution | 24 | 01 | 25 | - | 18 | 07 | 16 | 09 | 100 |

Source: Primary Data, 2014. **Observation:** Y – Yes; N – No.

The table – 1 analyse to the choice of higher education in Tamil Nadu. This study compare to two districts in Tamil Nadu.

Nearly 42 per cent of the respondents focused college had a good reputation in Kancheepuram district and 20 per cent



students are agreed to the focused good reputation in college of Tuticorin district. This attitude reveals that Tuticorin district is having less ranking institution. In this area most of institution situated in rural area and enrollment of students from rural sector. All the respondents are agree with their academic course are good reputation for academic excellence in Kancheepuram district and 37 per cent of the students are agree same statements in Tuticorin district. Students are aware to their academic courses in Tamil Nadu. But women students take decision with their parents for joining in their academic courses. In the context of course fees about institution nearby 21 per cent of students are feel to fees were very low in their institution of Kancheepuram district and 43 per cent of the Tuticorin district students are agree to their course fees is very low. Because of Tuticorin district has a many government and government aided institutions.

College bus services are one of the main facilities to educational institutions. 45 per cent of the students agree to college provide bus service to their location in Kancheepuram district and 27 per cent of the respondents are avail bus service to their residence. College bus service is main

factor of increase to the girls' enrollment in higher educational institutions. All the colleges should be ensured transport facility to the student community. Almost 40 per cent of the respondents ensure their institution provide to quality of education in Kancheepuram district and 16 per cent of the students are agree to this same statements in Tuticorin district. Because of quality of education is an important factor to higher educational institutions. Government of Tamil Nadu should be taken a measure to increase quality of education in Tuticorin district. Library is a back bone of educational institutions. 29 per cent of the students are agree to colleges provide very good library of their institutions in Kancheepuram district and 33 per cent of the students are ensured to their institutions had a very good library in Tuticorin district. This research reveals that many students are regularly use their college libraries in Tuticorin district. Nearly 32 per cent of the students are consider to alumni had acquired jobs in their respected fields in Kancheepuram district and 30 per cent of the respondents are agree with same statements in Tuticorin district. Education Loan is a gift to poor students. In recent survey of Reserve Bank of India stated that Tamil



Nadu ranked to first in getting education loan compare other states. All the higher education students are eligible to education loan scheme. But 49 per cent of the students are aware to the education loan in Kancheepuram district and 34 per cent of the students are known about the education loan in Tuticorin district.

Conclusion

The conclusion provides educational institutions with an indication of the importance of choice factors considered by students in selecting an institution. This will enable those institutions to use their limited funds more efficiently to attract the merit recruitment policies, to create a unique position, to segment the student market more appropriately and to gain a competitive advantage. Information obtained from this research also contributes to the available body of knowledge on this topic and could be used by other researchers as a basis for future research.

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