



## Finance Management is a Serious Problem in Higher Education in Developing Countries

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### Abstract

Substantial progress has been made in financing higher education in developing countries, but how? Increase in budget, decrease in resources Domestic education expenditure (DIE) on higher education is one of the main indicators for financing higher education, it is the expenditure on higher education by the central government and state government, local authorities, other public administration, domestic and brings business together. It provides an overview of the overall situation of higher education funding. Funding for higher education has been increasing almost continuously since the 1980s. The structure of expenditure of establishments for higher education is as follows: 42% of expenditure is allocated for remuneration of teaching staff, 30% for remuneration of non-teaching staff, 19% for operations and 8% for investment. [MESRI, 2021]. We can note that according to the most recent data published by the OECD [2021], member countries spent an average of 1.4% of their GDP on tertiary education in 2018. Expenditure on tertiary education (public and private) is 1.5% of GDP. It is important to emphasize that they provide only partial information on the state of financing of higher education. Indeed, along with this increase in the total budget, student numbers are also increasing rapidly. This is an essential indicator to understand the current issues surrounding the financing of education. Students in higher education are not compensated by a proportionate increase in the budget.

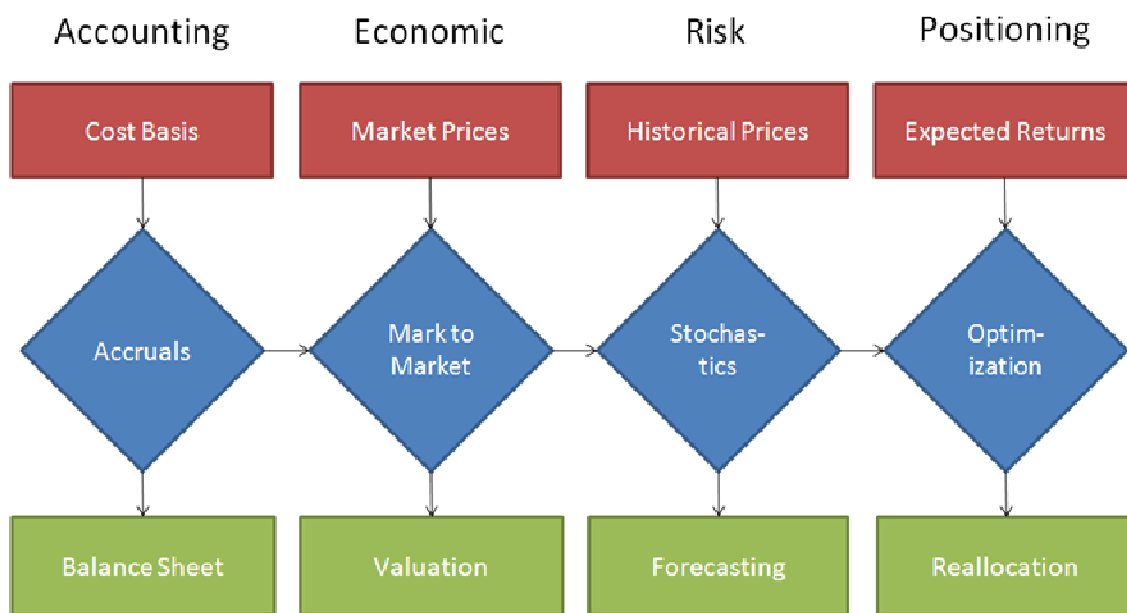
**Keywords:** Financing, Higher Education, increase in budget, expenditure on higher education, student numbers, increase in budget.

### Introduction

Education in India is managed primarily by a state-run public education system, which is under three levels of government- federal, state and local. Under various articles of the Indian Constitution and the Right of Children to Free and Compulsory Education Act, 2009, this fundamental right applies to children aged six to fourteen years. The ratio of public and private schools in India is approximately 7.5 There are many public initiatives taking place in India for education. Until 1976, educational policies and their implementation were legally determined by each constitutional state in India. In 1976, education was made a "concurrent subject" by the

Forty-second Amendment to the Constitution. Thus, from 1976, the central and state governments shared formal responsibility for school funding and administration. There are many variations in education policy in this large country of twenty-eight states and eight union territories. National policy frameworks are created to guide states in formulating their state-level programs and policies.

### Modern Financial Management



### Operation of primary and upper primary schools

State governments and local government agencies operate most primary and upper primary schools, and the number of government-run primary schools is increasing. At the same time, the number and proportion managed by private organizations is increasing. In 2005 and 2006, 83.13% of schools providing elementary education (classes 1 to 8) were run by the government and 16.86% of schools were under private management (including unrecognized schools, schools established under the Education Guarantee Program and alternative education Except for children in the U.S. Of these private schools, one-third receive public "aid." Between first and eighth grades, the enrollment ratio between public and private schools is 73:27. However, this ratio is higher in rural areas. (ratio of 80:20). It is lower in urban areas (ratio of 36:66). The literacy rate in 2011 is 73% (male rate is 81% and female rate is 65%). The National Statistical Commission estimates that in 2017- The literacy rate will be 77.7% in 2018, with 84.7% for males and 70.3% for females. However, in 1981, the respective rates were 41%, 53% and 29% and in 1951, the rates were 18%, 27% and 9 % India's improved education system is often cited as one of the major contributors to its economic growth. A significant portion of the progress, especially of higher education or research, is attributed to various public institutions. Is. Since 2010, enrollment in higher education has increased to reach a gross enrollment rate (GER) of 26.3% in 2019. However, the challenge of reaching the enrollment rates in higher education of developed countries is 6% it has to be increased to be able to reap the demographic dividend from the young Indian population.



### At primary and secondary level

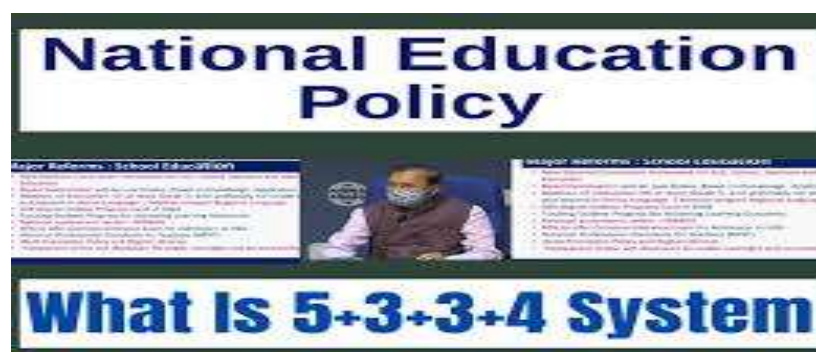
Lack of resources and absence of teachers in government schools may promote private schools. These can be recognized by the Government of India. This "accreditation" is an official seal of approval that requires a private school to meet a number of conditions (although, in practice, accredited schools do not meet all the criteria). The emergence of unrecognized primary schools shows that government accreditation is not considered a guarantee of quality by schools and parents. At the primary and secondary levels, India has an extensive private school system that supplements public schools, with 29% of students aged 6 to 14 receiving private education. Some higher technical schools are also private. The private education market in India had a turnover of US\$450 million in 2008, but is expected to reach US\$40 billion. According to the 2012 Annual Status of Education Report, 96.5% of all rural children aged 6 to 14 years enrolled in school that year. This annual survey is the fourth to report an enrollment rate of over 96%. From 2007 to 2014, India maintained an average enrollment rate of 95% for students in this age group. As a result, the number of students aged 6–14 not enrolled in school declined to 2.8% in the 2018 school year (ASER 2018)<sup>9</sup>. According to a 2013 report, there are 229 million students enrolled from classes 1 to 12 in various recognized urban and rural schools across India, an increase of 2.3 million students from the total number of enrollments in 2002, and an increase of 19%.



## New National Education Policy 2020

The new National Education Policy 2020 introduced by the Central Government is set to bring about a transformation in education in India. The policy, approved by the Union Cabinet of India on July 29, 2020, outlines the vision of the new Indian education system. The new policy replaces the National Education Policy of 1986. The policy is a global framework for education from primary to higher education as well as rural and urban vocational training.

Immediately after the publication of this project, the government clarified the absence of obligation to study any particular language. Teaching does not move from English to regional languages. The NEP language policy is a general directive and advice in nature, and it is up to states, institutions and schools to decide on implementation. Education in India is a subject of Concurrent List.



According to this programmed, the 10+2 structure has been replaced by a 5+3+3+4+2 model. These numbers refer to the 5 fundamental years, whether in Anganwadi, Preschool or Kindergarten. This is followed by 3 years of elementary education from classes 3 to 5. This is followed by a 3-year intermediate cycle and finally a 4-year secondary cycle up to class 12 or 18. This model is implemented as follows. Instead of 1 exam each school year, students take three exams in grades 2, 5, and 8. Board examinations are conducted for classes 10 and 12. The standards of these examinations are set by an evaluation body, PARAKH (Performance Assessment, Examination and Analysis of Knowledge for Holistic Development). To make it easier, these exams are conducted twice a year, with students being offered up to two attempts. The examination is divided into two parts, objective and descriptive.

Higher Education Policy offers a 4-year multidisciplinary degree in Bachelor program with 26 professional outlets including:

- Certificate after completing one year of studies
- Diploma after two years of study
- Bachelor's degree after completing a three-year program
- Four-year multidisciplinary graduate degree (preferred option)

### Administrative policy

School girls of Nihongi Nantahala English Medium School, Mizoram Education policy is prepared by the central government at the national level and by the states at the state level. The National



Education Policy of 1986 attempts to integrate environmental awareness, science and technology education, and traditional elements such as yoga into the Indian secondary education system. One of the hallmarks of secondary education in India is the emphasis on vocational training. An important development is the expansion of support to secondary education in the form of the National Secondary Education Campaign, the most recent initiative of the Government of India to achieve this goal. Universalization of secondary education. It aims to expand and improve the standards of secondary education up to class 10.

## School board

School boards implement the curriculum, conduct examinations at board level (especially at levels ten and twelve) to award school diplomas. These are schools that conduct examinations for other levels (also called standards, years or classes, denoting years of schooling).

### Different Types of Curriculum

#### Explicit Curriculum

- The subjects that will be taught, and the knowledge and skills that the school expects successful students to acquire

#### Implicit Curriculum

- The lessons that arise from the culture of the school and the behaviors, attitudes, and expectations that characterize that culture.

#### Null Curriculum

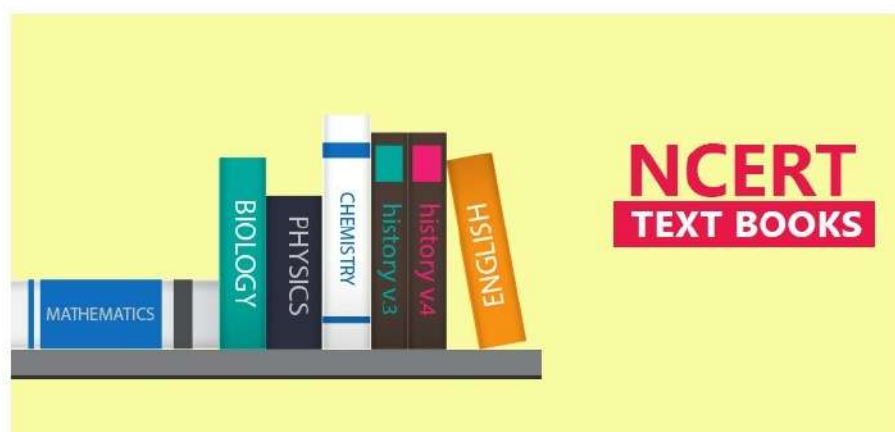
- “The options students are not afforded; the concepts and skills that are not a part of their intellectual repertoire” (Eisner, 1994, pp. 106-107).

#### Extracurricular Experiences

- All of the schools-sponsored programs (athletics, band) that are intended to supplement the academic aspect of the school experience.

## National Council of Educational Research and Training

It is the supreme body located in New Delhi, the capital of India. It offers courses related to school education across India. It aids, advice and technical assistance to schools in India and oversees many aspects of implementation of education policies. There are other curricular bodies that regulate the school education system, particularly at the state level.



## State Education Board

Most state governments have at least one "State Board of Secondary Education". However, some states like Andhra Pradesh have several. Furthermore, there is no council in the Union Territories. Chandigarh, Dadra and Nagar Haveli, Daman and Diu, and Lakshadweep and Puducherry Lakshadweep shares services with the larger state. School boards prescribe the curriculum for classes 1 to 12. program, which varies by state. Most of them conduct exams in 10th and 12th class, but some also conduct exams in 5th, 6th and 8th class.

## Central Board of Secondary Education

It prescribes the curriculum for classes 1 to 12 and conducts standard examinations in class 10th and 12th which are called board exams. Schools give examinations to students studying CBSE curriculum.

## Central government is spending on education

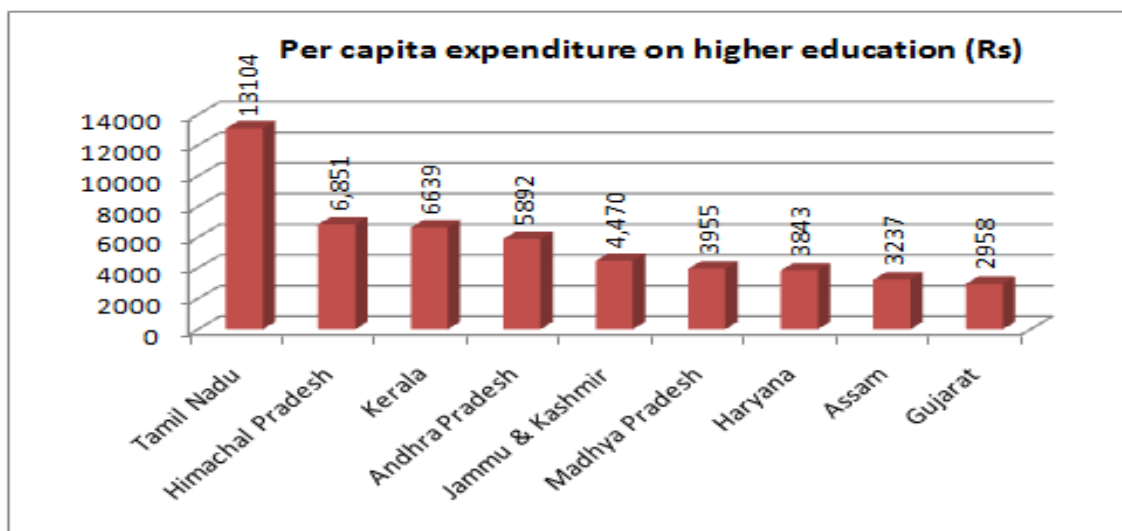
Under the Tenth Five-Year Plan (2002–2007), the central government of India earmarks an expenditure of ₹288 billion on elementary education, 65.6% of its total education budget, 9.9% or ₹43.25 billion on secondary education; 2.9% or ₹12.5 billion on adult education, 9.5% or ₹41.77 billion on higher education, 10.7% or ₹47 billion on technical education, And the remaining 1.4% (₹624 billion) is being spent on various education programs.

	Private school enrolment (%)	Annual total expenses per student (Rs)	
		Government	Private
All India	28	688	2920
Andhra Pradesh	31	574	3260
Assam	6	371	1636
Bihar	18	704	2466
Chhattisgarh	15	317	2039
Delhi	28	1044	5390
Gujarat	22	766	4221
Haryana	47	1043	4372
Himachal Pradesh	19	1709	6273
Jammu and Kashmir	47	1045	3719
Jharkhand	32	502	2932
Karnataka	28	638	3848
Kerala	31	1537	3259
Madhya Pradesh	27	333	1935
Maharashtra, Goa	20	599	2370
North-East	34	1441	4237
Orissa	8	612	2851
Punjab	52	1444	5160
Rajasthan	32	676	2612
Tamil Nadu	23	606	3811
Uttar Pradesh	43	427	1733
Uttarakhand	27	972	3422
West Bengal	10	1136	5045

*Source: Human Development in India: Challenges for a society in transition, OUP 2010, page 84.*

In 2011 and 2012, the central government of India allocated Rs 38,957 crore for the Department of School Education and Literacy, the main department responsible for primary education in India. Within this allocation, the majority of Rs 21,000 crore is reserved for the flagship program "Serve Shiksha Abhiyan". However, the budgetary allocation of Rs 210,000 million is considered very low considering the officially appointed Bordia Committee's recommendation of Rs 356.59

billion for the year 2011–2012. This higher allocation is necessary to implement the law “The Right of Children to Free and Compulsory Education Act”, 2009. To improve education in India, several announcements have been made, for example the National Common Minimum Program (NCMP) of the United Progressive. coalition (UPA) government. According to these announcements, these include: (a) Gradually increasing education expenditure to about 6% of GDP. (b) To support this increase in education expenditure and improve the quality of education, an education tax will be imposed on top of all central government taxes. (c) Ensure that no person is deprived of education because of economic backwardness and poverty. d) The right to education should be made a fundamental right for all children in the age group of 6 to 14 years. (e) To universalize education through its flagship programmers.



However, after five years of implementation of the programmed, little progress has been seen. Although the country has set a target of spending 6% of its GDP on the education sector, performance has fallen short of expectations. Education expenditure increased from 0.64% of GDP in 1951–1952 to 2.31% in 1970–1971 and reached a peak of 4.26% in 2000–2001, before falling to 3.49% in 2004–2005. As a proportion of total public expenditure, it increased from about 11.1% in 2000–01 to about 9.98% under the UPA regime, although ideally it should represent about 20% of the total budget. A policy brief published by the [Network for Social Accountability (NSA)] titled “[NSA Response to Education Sector Intervention in the Union Budget: UPA Rules and the Education Sector] provides a revelation on this fact. Public Policy in India Due to low priority given to education in the economy, private expenditure on education is increasing rapidly. [As per available information, private expenditure on education of their children by the working class in India has increased by about 11.50 percent from 2010 to 2020. Or has increased by about 12.5 times.

## Conclusion

Measuring what human capital or skills actually are? The characteristics of each country's human resources, which make their development best possible, remain an economic challenge on which it is really difficult for us to make better comprehensive use of human capital. Financing education in developing countries is just one step in this process. Because analysis and economic

reflection in this area. Education systems in developing countries should promote economic and social development as well as enable individuals and countries. Despite recent efforts by the international community, most developing countries have very little Money is, due to the monetary poverty of these countries, the main sources of financing are national budgets (mainly fiscal), taxes, etc. India and other countries which are currently emerging. The financial challenge facing the national education system lies in the ability of states to reverse the strong trend of declining quality of education, which has penalized retention at all levels. According to Deloris (2004), there is a treasure hidden in education. Endogenous development is a condition for progress and innovation. Be it Japan, South Korea, Singapore or currently China and India, their economic emergence has stemmed from significant efforts to master technology. IT revolution is going on in India and China. Obviously, there is a dire need to improve the quality of education.



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