EDUCATION EXPENDITURE AND AMONG DROUPOUT SCHOOL CHILDREN IN ERODE DISTRICT OF TAMIL NADU

R. Jayanthi
Research Scholar, Department of Economics, Gobi Arts & Science College Gobichettipalayam- 638453, TN – India
Dr. S.Ponnarasu
Asst. Professor, Department of Economics, Gobi Arts & Science College Gobichettipalayam- 638453, TN – India

ABSTRACT

The majority striking feature in the education outlay in India is that school education expenditure pattern on tuition fees, exam fees, book fees, stationery fees, transport fees, Private coaching form as a very significant part in the total expenditure of house hold There is a need to reduce its expenditure of education. In this my study is the present education expenditure structure of the house hold would help the government policy makers in identifying areas of high charge and discover the income for reducing it. In the present study the erode district of Tamilnadu rural and urban house hold education expenditure is discussed .The government of Tamilnadu made compulsory for each and every children to providing free education and books, food, cloth and other equipment's but in private sector schools are to collecting unwanted fees. The spending construction may vary across the socio-economic personality of the family unit. to analyzing dropout of student problems and level of drop outs in percentage values clearly mentioned in this study.

Key words: Education expenditure, Rural areas, Problems, dropouts.

1.INTRODUCTION

Education is a fundamental human right as well as a catalyst to promote for economic growth and human development Most of the recent studies on endogenous growth theory generally agree that human capital has a significant impact on economic growth. The human capital accumulated by the education has a potential to be broader and more sustainable due to the increase in the productivity and technology advancement (Lucas, 1988; Romer, 1990; Maitra and Mukhopadhyay, 2012;. Further, human capital is an important element of growth, improving and complementing government‟s development policies with a number of positive externalities that generated along with the increase in the private returns. Education can be measured as the number of enrolments and levels of education, expenditure on education and training as well as the years of schooling . In other words, government spending on education contributes to the human capital,

which will promote to the technological progress and later promotes the economic development. Besides that, the neoclassical growth theory expounded shows that by considering the human capital as an additional input in Solow model, human capital has a potential impact on the level of economic growth.

2. Literature Review

There are number of empirical studies regarding the impact of educational expenditures on economic growth, however, those studies gives contradictory results, for examples, Barro (1991) and Benhabib and Speigel (1994) estimated a positive relationship between education expenditure and economic growth. However, Devarajan et al. (1996) find a negative relationship between education expenses and economic growth. Bose et al. (2003) study the growth effects of government expenditure, particularly focusing on sectoral expendi- tures for a panel of thirty developing countries by using data from 1970 to 1990. They find that the share of government capital expenditure on gross domestic product is positively and significantly correlated. Moreover, at the sect oral level, government investment and total expenditures in education are significantly associated with growth.

Ajaja (2012) has categorized reasons why students drop out of school into four clusters that include; school related, Job related, family related, and community related. Frendenberg and Ruglls (2007)identified a number of factors under each cluster as influencing student dropping out of school. The factors identified under family cluster include; low family socioeconomic status, low family support for education, low parental education, conflicts between work and school, having to work and school, having to work or support family, substance use and pregnancy among others.

Chirtes (2010) observed factors such as; low socioeconomic status of school population, high level of racial or ethnic discrimination of students, school phobia, school violence, conflicts (with teachers, school mates) among others. The job related cluster entails: those students who could not workand school at the same time, those who had to do a job to survive and those who found job while in the community cluster, the following factors wereindentified: living in a low income neighborhood, having peers with low educational aspirations and having friends or siblings who are dropouts .

Mankiw et al. (1992) Harrod–Domar model and neo-classical growth models regarded capital and labour as the sole determinants of economic growth. The theoretical foundation for the impact of education on economic growth was first built by the endogenous growth theories introduced by Romer (1990) and Lucas (1988). Lucas (1988) and Mankiw et al. (1992) argue that the accumulation of human capital would lead to an increase in the productivity of other factors through innovation and technological progress and thereby raise growth. In their models, a state's rate of growth depends on the rate of accumulation of human capital.

3. OBJECTIVES OF THE STUDY

1. To study the estimate of educational expenditure of rural and urban the households in Erode district of Tamilnadu .
2. To analyze the dropouts of school children in Erode district of Tamilnadu. .

3.1.METHODOLOGY

This is an empirical research which based on survey that the data collected for the study includes both primary and secondary. The data have been collected through survey method(i.e) the direct personal interview with 308 sample household respondents .recovered secondary data related schooling in the study area were collected from the official records of various government offices & departments of human resources development websites . The data used in the present study has collected through field survey in the year 2017. Different demographic, economic and human capital related variables are also considered in this study. There are certain reasons selected in Erode District as a study area. The three stage procedure was applied to select the sample households. There are four taluks in erode district which are Gobichetti palayam, Nambiyur, Sathyamangalam,Bhavani. This survey explains that about two block in each taluk. Each block has been selected based on that population as well as rural , urban and semi urban.

3.2.SCHEDULE

The survey schedule was design to collect the data the following items .socio-economic and demographic profile of households and individuals including income assets , consumption and educational expenditure.

The household were interviewed with a well structured schedule prepared for that Purpose. The schedule has been prepared in such a way so as to collect the data regarding personal particulars of the household such as age, sex, occupation, religion, income of the family, type of family ,social group, type of institution household dependent and Tuition fees, Exam fees, Book fees, Stationery fees, Transport fees, Private coaching, Uniform fees, Other fee and payments, Other course expenditure and drop out problems, type of institution dropout students and level of education and Other expenditure.

3.3.METHOD OF ANALYSIS

The collected data were consolidated in the form of master schedule and then checked and gross checked. Omissions and errors if any are identified and rectified. Systematic classification of the study in view conventional average method and standard deviation were employed for the analysis of expenditure of data.

4.THEORETICAL FRAMEWORK

Education in general is regarded as an investment from an economic point of view. Individuals, and governments, on behalf of societies, allocate resources in return for immediate and long-term pecuniary and non pecuniary benefits. Economists have compared investment in education with that of physical projects and, therefore, have used similar methods and tools to identify and measure the return to this investment in this investment process, direct and indirect expenses are sacrificed by individual students and governments. Direct expenses are the sum of expenditures allocated to education, whereas indirect costs are the production foregone during years of education. It is expected that education improves the level of skills and knowledge which are regarded as essential elements to increase the level of productivity. This in turn leads to higher lifetime earnings for the individual and to the increase of overall national productivity and economic growth. These are described as the pecuniary or tangible benefits of education which can be identified and measured in monetary terms. However, there are many no pecuniary or intangible private and public benefits that are difficult to identify and measure and which might constitute a large portion of educational benefits. The most popular examples of these benefits are the consumption values of education and the externally and spillover benefits that accure to individuals and societies in the short and long-terms. The economic analysis of financing educational investment is often based on the concept of human capital viz. that education is an economic investment and that the main objective of allocating resources to education is to gain the pure economic benefits that can be measured and valued in monetary terms.

5.STATEMENT OF THE PROBLEM

First, there is a complete absence of ‘free education’ in India, regardless of a household’s socio-economic background, spending on education is very substantial even at the primary school level. Second, ‘indirect’ costs, such as books, uniforms and examination fees, are very high, even in government-run schools, including at the primary level. According to National Sample Survey Organization in the average expenditure per student pursuing primary education in rural India in a government school was Rs.219, and for students going to local body schools, private-aided schools and private-unaided schools, it was Rs 223, Rs 622 and Rs 911, respectively. Third, given the absence of a well-developed credit market for education expenditure on education is highly correlated with income. Fourth, willingness to pay and ‘compulsion to pay’ the need to compensate for a shortage of government spending on education are two important factors.. Fifth, government spending and household spending on education are not substitutes but complementary. An increase in government spending is associated with an increase in household spending due to an enthusiasm effect, resulting from improvements in school facilities, number of teachers, .Conversely, a reduction in government expenditure leads to a decline in household spending on education. Equivalently, the elasticity of household expenditure to government

expenditure is found to be almost unitary, and positive. Finally, the provision of schooling in rural habitations, or the provision of such school incentives as mid-day meals, uniforms, textbooks, etc., are both associated with the increased household demand for education.

6. RESULT AND DISSCUSSION

EDUCATION EXPENDITURE PATTERN OF ERODE DICTRICT OF TAMINADU

The government spends substantial amounts on the creation as well as the functioning of the educational infrastructure. But to avail themselves of such facilities, individuals, too, have to incur expenditure in the form of tuition fees, examination fees, cost of books and stationery etc. While information is available in budget documents on the expenditure incurred by governments, there is an increasing role of non-government organizations as well as individuals in the education sector.

A huge difference is found in average educational expenditure between the schools run by government or local bodies and the private ones. Moreover the rate of increased in expenditure is growing every year.

Table : 1 Economics of education expenditure on the types of institution

Components of education expenditure	Government institution Education	Local government institution	Autonomous institution	Private institution	Central board of secondary education institution
Tuition fees	24.39 (66.25)	100.0 (.000)	1702.38 (248.39)	6301.37 (3265.71)	12161.29 (4285.67)
Exam fees	85.37 (82.34)	308.06 (177.06)	1203.38 (248.39)	3458.90 (1593.72)	6187.10 (2061.31)
Book fees	180.49 (321.88)	.00 (.000)	.00 .000	3068.40 (855.19)	7685.48 (1723.11)
Stationery fees	312.20 (217.02)	1267.74 (249.52)	2000.00 (.000)	3280.82 (1771.66)	10238.71 (5853.27)
Uniform fees	260.98 (225.69)	500.00 (.000)	1511.9 (448.41)	3154.79 (3313.35)	5572.58 (1852.88)
Transport fees	121.95 (331.29)	.00 .000	.00 .000	1527.40 (2589.89)	7217.74 (4395.06)
Private coaching	29.27 (46.06)	1322.58 (758.82)	2535.71 (1201.59)	2737.88 (1594.44)	8067.74 (4355.05)
Other fee and payment	.00 .000	319.35 (202.35)	1214.29 (415.30)	3472.60 (1894.60)	4217.74 (467.12)
Other course	119.51	677.42	2214.29	2846.58	3750.00

expenditure	(202.35)	(758.81)	(415.30)	(1706.28)	(1081.73)
Other expenditure	166.85 (209.29)	1000.00 (.000)	1476.19 (441.06)	2116.44 (2014.73)	6141.94 (2842.85)
Total	**519.61** **(1.80)**	**5495.16** **(274.57)**	**13857.14** **(472.22)**	**32960.27** **(11641.27)**	**71240.32** **(22808.64)**

Source ; computed by primary data

The above table 1 shows that government schools student spend RS 520.towards education on an average. Local government school students spend RS. 5500. Autonomous school student spends RS. 14000 on an average. Private school student spends nearly RS. 33000 towards education and the CBSE school students most and amounts to RS. 71,240 towards education. the CBSE institution students spending very highly .this is the standard for the two reasons, the CBSE institution students parents generally implied that white color jobbed and business parents spend most of the amount towards their children's education. We found that expenses to educate the child in are expensive when compared with government and other institution. We see that, the member of family are increased the spending towards education also increases. The shows that when the income increases the spending towards education also increases. The migrations from government school to other institution are more.

Table : 2 Economics of education expenditure comparing to the medium of education

Components of education expenditure	**Tamil medium**	**English medium**
Tuition fees	610.00 (793.19)	8794.96 (4830.39)
Exam fees	541.36 (537.27)	4605.04 (2323.67)
Book fees	135.45 (367.38)	4985.61 (2844.99)
Stationery fees	1119.09 (721.94)	6383.45 (5362.34)
Uniform fees	1374.55 (3050.00)	3700.00 (2160.00)
Transport fees	445.50 (209.25)	4546.76 (4243.00)
Private coaching	1315.45 (1376.48)	5062.59 (4137.27)
Other fee and payment	434.55 (399.18)	3948.20 (3074.64)
Extra co-curricular activity expenditure	790.9 (932.05)	3361.87 (1357.72)

Other expenditure	789.9 (932.05)	3948.20 (3074.64)
Total	**7115.36** **(6002.93)**	**49223.02** **(26677.61)**

Source ; computed by primary data

The above table 2 tells that education expenditure comparing to the Tamil and English medium of level. the Tamil medium spends lesser amount on education on an average amount on R.S.7115.36 which is relatively very high as compared to the spent on English medium spending amount R.S.49223.02 incurred by the English medium students. the English medium student mostly spent highly amount on tuition fees private coaching and expenditure .the Tamil medium students very low level of amount spending .

Table : 3 Type of institution last study of type of institution before drop out

Types of institution	Frequency of Last study before dropout
Government school	39
Local government school	10
Autonomous institution	10
Private school	0
Central board of secondary education institution	0
Total	**59**

Source : computed by primary data

The above table 3 shows that type of institution last study of student in before drop out. The most of the drop out was from government school students and local government school students. The government school students ,they are not interest in our study .There were null drop out from private and cbse schools .The before drop out an autonomous institution students to says in this reason language of institution used un familiar .There were fifty nine drop out in our sample.

Table:4 level of school drop outing of student

Level of school drop out	Frequency	Percentage
Valid	249	80.8
Primary level	30	9.7
Upper primary level	10	3.2
Secondary level	10	3.2
Higher secondary level	9	2.9
Total	**308**	**100**

Source ; computed by primary data

In the above table5 level of school dropout student point out that most of the students drop out in primary level. And lesser drop out students in higher secondary level. The upper primary level is 3.2percent.the secondary level 3.2 percent.

Table : 5 Reason for dropout of student in school

Reason for dropout	Frequency of Last study before dropout
Not interest for student	20
Participation in other economic activates	15
Financial constraints	07
Language of instruction used un familiar	07
Parent not interested in student education	10
Total	**59**

Source: computed by primary data

The above table 5 clearly indicating that among 59 drop outs .the 20 students not interest for study ,the 15 of them were participation in other activities the reason for financial constrains 07 students. There were parents not interest in students education .in the 10 students there were left the school because of other participation economic activities.

7.FINDING, CONCLUSIONS AND SUGGESTIONS

In this study, we found that English medium students spent more amounts towards education than Tamil medium students. They spend more amounts towards book, tuition and transport. We conclude that parents who has one child spend more towards education than the parents having more than one child. We assume that white color jobbed and business parents spend most of the amount towards their children's education. We found that expenses to educate the child in are expensive when compared with government and other institution. We see that, the member of family are increased the spending towards education also increases. The study shows that when the income increases the spending towards education also increases. The migrations from government school to other institution are more.

We found from our studies that at age nine and thirteen there are more dropout than at other age groups. The Tamil medium students prefer to study at government schools. Where as English medium students prefer to study only at private and CBSE institutions for their education. Most of the dropouts at school are because of their not interested towards education. And few dropouts because of the financial constraints and willing to do other activities. All of the dropouts were from government institutions. Also found that there is no dropout from private and CBSE institutions. The government school students get more free items towards education. Whereas private and CBSE school students do not get those things.

CONCLUSION

From the above findings, it can be concluded that private and CBSE institute students spend more amount towards their education, namely, towards tuition fees, book fees, examination fees, uniform and transportation. The private and CBSE do not get any free item from the government. Whereas the infrastructures are better than government school. While family income, their occupations, dependence on family, medium of education and type of institution decides the expenditure towards education. Government school students collect more free items. They also spend less towards education. The dropouts are more from the government schools because of the lack of interest in education, financial constraints and concentration towards other economic activities.

SUGGESTIONS

Quality education can be induced to the children from the beginning. Interest towards learning should be provided to the students at free of cost. Infrastructure at government school should be improved. One curriculum for all the institution should be enforced. Enhance the scale and scope of Public-Private Partnership (PPP) in the education sector in India. In one sense, the PPP model already exists in the form of "government-aided" schools. However, a well crafted PPP strategy is essential, and also can make best use of resources, technology and capacity of the education system to deliver the ultimate goal – universal and equitable access to high-quality education. Art, music and similar types of course can be included in curriculum to match the interest of the individuals. For students can be awarded with scholar ships or stipends in cash as long as they continue their studies as educational incentives. The government should take necessary steps to make the private institutions on educations as a "not-for-profit" approach without losing focus on quality. Quality of teachers should be tested frequently by examinations or other means in order to provide value based education for the students

Reference

1.Tilak, J. B. G., (2000), "Household Expenditure on Education in India: A Preliminary Explanation of the 52nd Round of the National Sample Survey," NIEPA, New Delhi.

2. Tilak, J.B.G., (2002), "Determinants of Household Expenditure on Education in Rural India," *NCAER Working Paper Series,* No.88.

3. Vu Q. H., (2012), "Determinants of Educational Expenditure in Vietnam", *International Journal of Applied Economics,* Vol. 9, No.1, *pp: 59-72.*

4. Farooq, Shahid, (2006) "The Persistence of High School Dropout Rates in the Rural Southern Punjab, 2000 -2006" (PhD Thesis, Punjab

5. Farooq, R .A. (1993).Education system of Pakistan: Issues and Problems. Asia society for promotion of Innovation and Reforms in Education. Islamabad: Pakistan (pp.10-20).

6.Ajaja, P.O.(2012). School Dropout Pattern among Senior Secondary Schools in Delta State,Nigeria, International Education Studies Vol. 5, No. 2; 145- 154. http://dx.doi.org/10.5539/ies.v5n2p145