



Continuous issue-18 | August – September 2015

Economics of Higher Education in Gujarat: A study on Social and Private Cost of Management Education with Respect to Post-Graduate Agribusiness Management faculty of State Agricultural Universities of Gujarat

Introduction

Higher education system in India was re-visited through the National Policy on Education, 1096 and its subsequent Plan of Action, 1992. The Apex body of higher education system in India had implemented 10+2+4+2 framework for Post-Graduate Education through technical and professional education. Federal structure of Indian Polity has put higher education in the concurrent list under the Constitution of India which reflected that higher education is the concern for both centre and state government in India. Gujarat government has established Gujarat State Agricultural University in 1970 to implement teaching, research and extension education in agricultural sector under the ministry of Agriculture and Cooperation and in 2004 under the Gujarat Act no. 5 of 2004, the Gujarat State Agricultural University was further divided into four full-fledge Universities namely Anand Agricultural University, Navsari Agricultural University, Junagadh Agricultural University and Sardarkrushinagar Dantiwada Agricultural University. This research study is an attempt to table a report on the social and private education costs to obtain Post-graduate Agribusiness Education from Agricultural Universities of Gujarat State. The faculty of post-graduate agribusiness education is an inter-disciplinary education structured to cater the emerging area of commercialization of agricultural produce by amalgamating agricultural sciences with entrepreneurial and industrial skills. India has seen a mushroom growth in higher education institutes after New Economics Policy (1991) and at present there are more than fifty public funded Agricultural Universities are in operation. The concept of social cost is the cost which society pays to avail the avenues of education while the private cost is the cost which a beneficiary is paying to avail the education. Various research studies and publications have shown the significance of public spending on higher education along with the moderate criticism on the method and modality of public spending. This study was initiated to facilitate the authorities with the relevant data and information so that the decision making on the various aspects can be made more scientifically. During the stipulated time-frame and with the constraints of data accumulation, the study had arrived to the below mentioned conclusions.

Research Methodology

This study was objected to find out the different avenues of private and social cost. In order to identify the major avenues responsible for the private cost occurring to the beneficiaries of agribusiness management discipline i.e. Students, a semi-structured questionnaire was designed and communicated to the selected students of all the four agribusiness management institutes of agricultural universities of Gujarat. Out of

total 120 students studying in the post-graduate agribusiness management course, 24 students were taken as sample to reveal the private costs of acquiring agribusiness management education in which the male and female ration was maintained as equal. The samples were selected by considering the population mix and out of 24 respondents, 20 respondents were falling in the category of Out-Station respondents and almost all the respondents had availed on-campus hostel accommodation. It was also considered while drawing the samples that 16 respondents had secured their admission on merit/regular basis while 8 respondents were obtained it through payment seats. Along with that 2 respondent were in the domain of ICAR Scholarships while 5 were receiving scholarship/fellowship from other agencies like Government and PSUs. 2 respondents were found to have educational loans form scheduled banks for their study. All the other respondents were found dependent for their Educational expense on their family, except those who were receiving scholarships/fellowships and received educational loan. It was also interesting to know that more than 85% students belonged to nucleus family and moreover there were 8 respondents having two or more earning members in the family. So far as the family occupation is concerned, it was found that more than 50% (13 respondents) were having agriculture/farming as the major income-earning occupation while about 40% belonged to the service industry. It was also found that less than 10% of the respondents were representing the entrepreneurial/business families. Annual income of the family involved in the agriculture/farming occupation were in the range of Rs. 1,50,000/- to Rs. 4,00,000/- while others were in the range of Rs. 2,00,000/- to Rs. 7,00,000/-. Mean income of the families was calculated as Rs. 3,50,000 /- for the purpose of this study.

Results from the primary data

Primary data revealed various aspects and avenues of private cost occurred to possess post-graduate agribusiness management education in Gujarat state through public funded universities. It was found that total fees component for merit-regular students was Rs. 35,000/- while the students from payment seats were paying Rs. 2,37,000/- for the entire MBA programme. Female students of MBA programmes had received about 20% discount on the total fees components and hence recorded as Rs. 25,000/- if they fall under the category of merit-regular students, while, for payment seats for girls, the total fees component is Rs. 2,50,000/- . It was found that average cost for availing books and other reference material is Rs. 6000/- while other stationary and other related expenses consumes Rs. 8000/- for the entire MBA programme. As the MBA programme is the degree by research programme, two experiential learning modules are imbibed along with the knowledge-dissemination sessions. It was observed that a student needs to spent about Rs. 10,000/- to produce the document-record i.e. Project-work report in order to validate and authenticate the experiential learning component. As mentioned earlier, most of the respondents had received on-campus hostel accommodation. Student pays Rs. 5,000/- as hostel accommodation fees and Rs. 10,000/- is being spent on gas and electricity expense for the entire MBA programme. On the other hand, it was observed that a student is spending about Rs. 45,000/- for regular food expense for the entire programme. It was also noted that respondents were spending about Rs. 13,000/- as food expense other than the regular food expense. In order to bring the professional etiquettes in the students, colleges are encouraging students to wear a stipulated Uniform during the entire programme. It was observed that about Rs. 2500/- is being spent on the Uniform component while from the responses about the cost on clothes and other accessories, it can be calculated that about Rs. 28,000/- is being spent on the same. Another significant component of Student's Academic Life is expense towards Communication, Conveyance and Entertainment. After analysis of the responses, it can be concluded that about 35% of the total cost of living is under this component. An average of Rs. 32,000/- is being spent on this component. However, the expense towards medical and related

component is significantly low. About Rs. 7000/- is being spent by a student on the same. Another important aspect of Management education is experiential learning. A student is spending on an average Rs. 22,000/- i.e. Rs. 7,000 for Summer Internship and Rs. 15,000 for Master's Project work. It was also found that very less respondents were provided stipend for the same by either the Industry or the institute.

Note on Social Cost

This study has also incorporated support of government and public finance for the Agribusiness Management Education. Records available to the Universities towards the capital investment i.e. Construction of the college building, infrastructural enhancements, equipment and maintenance as well as current expenses i.e. Pay and allowance, recurring costs etc. It was found that in order to create a stand-alone Agribusiness Management Institute Capital Investment requirements are about Rs. 2,50,00,000/- while the current expenses are varying from Rs. 75,00,000/- to Rs. 1,00,00,000/- based on the percentage of posts filled as well as weightage of other recurring expenses. Considering the constraints of admission in the flagship programmes as well as the administrative rigidity for exploration of the avenues for the self-sustainability, it was observed that the unit-cost for imparting Post Graduate Agribusiness Education is ranging between Rs. 2,00,000/- to Rs. 2,50,000/- under the component of Current Expenses. While to bring out the unit-cost from the component of Capital Investment, considering the self-sustainability of Building and Infrastructure for the period of 25 years as well as the nominal depreciation along with the maintenance at 7% per annum, it was calculated that an average amount of Rs. 2,85,000/- per student is being spent by the government to produce around 900 Agribusiness Managers in the time span of 25 years.

Conclusion

The results from the primary survey as well as the records related to the public spending had revealed certain important facts for the Administrators of the Higher Education. The private cost to acquire the degree of Agribusiness Management is around Rs. 2,08,000/- for the merit-regular student while it is Rs. 4,08,000/- for the payment seats. On the other hand, considering both Capital investment as well as Current Expenses, Social cost to produce an Agribusiness Manager is around Rs. 5,10,000/-. It is also important to understand that cost recovery from the Fees component is only 12-15% in the case of merit-regular students which are occupying 90% of the batch strength. Hence, on an average only 3-4% cost recovery is possible by the Fees component from the Social Cost. However, it was observed that the payment seats were also covering the total cost by 50% only, which is considerably insignificant.

References:

1. Aggarwal, R.B. (1993), *Financing of Higher Education in India*, Ganga Kaveri Publishing House, Varansi.
2. Blaug, M. (1970), *An Introduction to the Economics of Education*, Penguin Books Ltd. Harmondsworth, Middlesex, England.
3. Central Advisory Board of Education (CABE), (2005), *Financing Higher and Technical Education*, National Institute of Educational Planning and Administration, New Delhi.
4. Chalam, K.S. (1986), *Finances, Costs and Productivity of Higher Education*, Inter India Publications, New Delhi.
5. Das, S. (2007), "The Higher Education in India and the Challenge of Globalisation", *Social Scientist*, Vol. 35, (3&4) (March-April), pp. 47-67.

6. Dutt, R. (1981), "Costing of Corresponding Education, Need for Rational Policy and University and College Finances", Seminar Paper, Association of Indian Universities (AIU), New Delhi, pp. 134-147.
7. Garg, V.P. (1985), Cost Analysis in Higher Education: A Theoretical Frame and Empirical Results, Metropolitan Book, New Delhi.
8. Hallack, J. (1969), The Analysis of Educational Cost and Expenditure, IIEP, UNESCO, Paris.
9. Hansen, W. (1970), Education, Income and Human Capital, Columbia University Press, New York.
10. Kaul, S. (2006), "Higher Education in India: Seizing and Opportunity", Working Paper No. 179, Indian Council for Research on International Economic Relations (ICRIER), New Delhi. Available at www.icrier.org
11. Tilak, J.B.G. (1979), "Unit Cost Analysis of Higher Education in India", Journal of Higher Education, Vol. 5 (2), pp. 183-193.
12. Tilak, J.B.G. (1985), "Analysis of Cost of Education in India", Occasional Paper 10 National Institute of Education, Planning and Administration (NIEPA), New Delhi.
13. Tilak, J.B.G. (1993), "Financing Higher Education in India", Higher Education Reforms in India, Experience and Perspectives, Sage Publications, New Delhi.
14. UGC (1993), Funding of Institutions of Higher Education, Report of Justice Dr. K. Punnayya Committee 1992-93, Bahadur Shah Jafar Marg, New Delhi.
15. Yash Pal Committee Report (2009), Committee to Advise on the Renovation and Rejuvenation of Higher Education, Ministry of Human Resources Development, New Delhi

Vimal D. Shah
Assistant Director
UGC Human Resource Development Centre
Sardar Patel University
Vallabh Vidyanagar - Anand

Copyright © 2012- 2016 KCG. All Rights Reserved. | Powered By : Knowledge Consortium of Gujarat