

The education in India

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ABSTRACT

This paper covers the Indian education system mainly the financial structure which strengthens this system, as we all know that the India is one of the highly populated countries in the world in such situation question arises that what type of financial strategies the Government is adopting to provide the education to the people's of the country. This paper also covers the statistical figures which shows the literacy rate in India, The budget for education and various schemes for students.

KEY WORDS : Education, Higher education, Schemes, UGC, Budget

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After independence for improvement in the sector of Education UGC was formed to provide high education to the peoples of the country. The main objective of UGC is to provide education to the qualified persons. In the development plan of India it is said that 6 % of the total production revenue be spent on Education but it is unfortunate that until now this is not happened. The reason is that India has opened education sector to all country abroad. Since these paper throes a light on the Governments approach towards the Education in time of Global Financial crises. Though the higher education system and the pattern of financing higher education vary a great deal across countries in terms of their size and strength and degree of diversification of higher education institutions, yet they all face a severe financial crisis in the public finances available for higher education.

Education in India:

Education in India is mainly provided by the public sector, with control and funding coming from three levels: federal, state, and local. Child education is compulsory. The Nalanda University was the oldest university-system of education in the world. Western education became ingrained into Indian society with the establishment of the British Raj. Education in India falls under the control of

both the Union Government and the states, with some responsibilities lying with the Union and the states having autonomy for others. The various articles of the Indian Constitution provide for education as a fundamental right. Most universities in India are Union or State Government controlled.

The private education market in India is estimated to be worth \$40 billion in 2008 and will increase to \$68 billion by 2012. However, India continues to face stern challenges. Despite growing investment in education, 35% of its population is still illiterate; only 15% of Indian students reach high school, and just 7% graduate. As of 2008, India's post-secondary high schools offer only enough seats for 7% of India's college-age population, 25% of teaching positions Nationwide are vacant, and 57% of college professors lack either a master's or PhD degree.

Key players in the higher education system in India:

The University Grant Commission of India is not only the lone grant giving agency in the country, but also responsible for coordinating, determining and maintaining the standards in institutions of higher education. Apart from the UGC here are various professional councils that are responsible for recognizing courses, promoting professional institutes and providing grants to undergraduate programs.

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All India Council for Technical Education (AICTE), Distance Education Council (DEC), Indian Council for Agriculture Research (ICAR), Bar Council of India (BCI), National Council for Teacher Education (NCTE) Rehabilitation Council of India (RCI), Medical Council of India (MCI), Pharmacy Council of India (PCI), Indian Nursing Council (INC), Dentist Council of India (DCI), Central Council of Homeopathy (CCH) and the Central Council of Indian Medicine (CCIM) are the statutory professional councils of India

Higher education:

India's higher education system is the third largest in the world, after China and the United States. The main governing body at the tertiary level is the University Grants Commission (India), which enforces its standards, advises the government, and helps coordinate between the centre and the state. Accreditation for higher learning is overseen by 12 autonomous institutions established by the University Grants Commission. As of 2009, India has 20 central universities, 215 state universities, 100 deemed universities, 5 institutions established and functioning under the State Act, and 13 institutes which are of national importance. Other institutions include 16000 colleges, including 1800 exclusive women's colleges, functioning under these universities and institutions.

As per Report of the Higher education in India, Issues Related to Expansion, Inclusiveness, Quality and Finance, the access to higher education measured in term of gross enrolment ratio increased from 0.7% in 1950/51 to 1.4% in 1960-61. By 2006/7 the GER increased to about 11 per cent. By 2012, (the end of 11th plan objective) is to increase it to 15%.

Literacy:

According to the Census of 2001, "every person above the age of 7 years who can read and write in any language is said to be literate". According to this criterion, the 2001 survey holds the National Literacy Rate to be around 64.84%. Government statistics of 2001 also hold that the rate of increase in literacy is more in rural areas than in urban areas. Female literacy was at a national average of 53.63% whereas the male literacy was 75.26%. Within the Indian states, Kerala has shown the highest literacy rates of 90.02% whereas Bihar averaged lower than 50% literacy, the lowest in India. The 2001 statistics also indicated that the total number of 'absolute non-literates' in the country was 304 million.

Budget:

As a part of the tenth Five year Plan (2002-2007),

the central government of India outlined an expenditure of 65.6% of its total education budget of 438.25 billion (US\$ 9.95 billion) i.e. 287.5 billion (US\$ 6.53 billion) on elementary education; 9.9% i.e. 43.25 billion (US\$ 981.78 million) on secondary education; 2.9% i.e. 12.5 billion (US\$ 283.75 million) on adult education; 9.5% i.e. 41.765 billion (US\$ 948.07 million) on higher education; 10.7% i.e. 47 billion (US\$ 1.07 billion) on technical education; and the remaining 1.4% i.e. 6.235 billion (US\$ 141.53 million) on miscellaneous education schemes. According to the United Nations Educational, Scientific and Cultural Organization (UNESCO), India has the lowest public expenditure on higher education per student in the world.

Schemes for students:

The Government of India announced a new education loan program, the Educational Loan Scheme, in April 2001. The scheme provides loans to "poor and needy" Indian citizens to undertake basic education and to "meritorious student" to pursue higher education at home or abroad. As compared to the bank-specific education loans scheme in the past, the new scheme is a) non-bank specific in nature as it can be adopted by all banks, b) wider in scope as it includes a large number of courses, and c) broader in scope as it covers both fee and non-fee expenditures which are related to study (Narayana, 2002). The program does not require collateral for the first \$8,595 (Rs 400,000) loaned² and charges an interest rate tied to the lending rate set by the Reserve Bank of India (12 per cent) for amounts up to \$8,595. Larger loan amounts carry higher interest rates. The maximum amount awarded is Rs 750,000 (\$16,115) for studies in India and Rs 1,500,000 (\$32,230) for studies abroad. The interest rate is not compounded during the repayment holiday/moratorium (course period plus 1 year or 6 months after getting a job, whichever is earlier). There have been relatively few students⁴ availing of the loan scheme due to what is considered a high interest rate, the short repayment period, the fact that they can only be used for programs approved by the government and the stipulation by some banks that loans will not be made to students whose families earn less than \$209 per month, which disqualifies most Indians, since there is no provision for governmental underwriting.

A number of nationalized banks offer study loan schemes including (but not limited to):

The Centvidyarthi Finance for Education program offered by Central Bank loans up to Rs 300,000 (\$6,446) for higher studies in India at a margin of 15 per cent for loans up to Rs100,000 (\$2,149) and 25 per cent for loans up to 500,000 (\$10,743) with relaxed margins for individuals

from the scheduled castes and tribes. The interest rate ranges from 12.5 per cent to 14 per cent depending on the loan amount. For families whose income falls under Rs12,000 (\$258) per year, the interest rate is 4 per cent. A 1 per cent rebate is granted in the rate of interest for regular repayment of interest and installments and payment of insurance premiums. *The Federal Bank Scheme* offered by the Federal Bank loans a maximum of Rs500,000 (\$10,743) for studies in India (no margin). The interest rate varies depending on the size of the loan. Repayment begins 12 months after the course is completed or when the student gets a job (whichever comes first). The maximum repayment period is 5 years from the end of the course. *The State Bank of Mysore* scheme that offers loans to students based on merit up to Rs.800,000 (\$17,190) for study in India at a margin of 10 per cent and an interest rate that varies depending on the size of the loan (13 to 15 per cent). Collateral security is required. Repayment begins

Immediately after the loan's disbursement to cover the interest portion during the period of study. For loans above Rs 400,000 the margin becomes 15 per cent and collateral security equal to 100 per cent of the loan.

The State Bank of India's Gyan Jyoti Scheme that offers up to Rs800,000 (\$17,190) in loans at a margin of 10 per cent to needy and deserving students at an interest rate that varies from 12.21 per cent to 14.28 per cent depending on the size of the loan. Collateral security is required. The loan is to be paid within a maximum period of 60 months after completing a course or securing a job. A moratorium of one year may be given.

The Dena Bank's Dena Vidya Laxmi Education Loan Scheme offers up to Rs350,000 (\$7,520). The loan is repayable within 3 to 5 years from the completion of

studies and repayment commences after 12 months from the date of completion or 1 month after getting employment.

Conclusion :

From the beginning of education in India i.e. British Raj Indian peoples are getting the education but the percentage of education from them to now is quite not digestible. The Key Players of Indian Education are many but there is a need to evaluate their jobs. As compared to the world the expenditure on Education in India is very low. As per the schemes are concerned the Government are providing a good number of schemes to the students but it is there is a need to study the utilization of these schemes by the poor and needy students.

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