



A Study On Household Expenditure On Different Levels Of General Education In Assam

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ABSTRACT

Education has all along remained an important development priority, necessitating intervention by government for its easy access to different sections of society. Nevertheless, individuals attending educational institutions incur expenditure in the form of payment of course fees, purchase of books, stationeries and uniforms etc. In this paper, we study the changes in household expenditure on education in Assam with the help of unit level NSSO data. It is found that the amount of expenditure on education is higher at the higher level of education compared to that of the lower level of education in both government and private institutions. Moreover, household expenditure in urban areas is more than rural areas. This may be due to the fact that either cost of materials, fees etc. related to education is higher in urban areas or the urban people being more literate than the rural people is expected to lay greater emphasis on education due to which they expense more on education. It is also seen that the rise in the share of higher level of education in household expenditure is more among the poorest class compared to richest class in the state during the study period. As the share of expenditure on higher level of education is more than that of the lower level of education so it can be suggested that Government should focus on free education, tuition fee waiver and scholarships at higher level of education too in the state.

Keywords: Household, Expenditure, Education, Rural, Urban

INTRODUCTION

Education is an important input of human development. It is an engine of overall growth of a society. Expenditure in the field of education is considered as an investment in human capital in the sense that it brings economic and non-economic returns to the individuals. Hence, expenditure on education assumes great significance. In India, although public expenditure on education is increasing over the years, but it is not adequate. Under investment in education is one of the main reasons for failure in realising educational goals and targets in India. Some of such educational goals and targets are to achieve universal basic education, eliminate gender disparity and promote gender equality at all levels of education. In this regard, although government of India has committed and made various efforts to reach these goals, but a lot of progress is to be achieved yet. Like public expenditure on education which help to achieve various goals and targets, expenditure on education by the household is also important to stimulate individual development. In this paper, we study the household expenditure particularly focussing on one of the important human development indicators namely education. Although public expenditure on education is increasing over the years, but public expenditure on education as a proportion of GDP has been quite below the target of spending which is 6% of GDP. India spent 3% of its GDP on education in 2019-20 (Economic Survey, 2019-20 RE). Therefore, it can be said that although public expenditure on education has shown an

increasing trend, but it is not adequate in India. This situation may lead to an increase in expenditure on education at household level.

With the above fact and background, in this paper, we study the changes in household expenditure on education in Assam.

OBJECTIVE

The objective of this paper is

To study the changes in household expenditure on education at different levels of general education in Assam by type of institutions and quintile classes of UMPCE.

METHODOLOGY

NSSO unit level data on two rounds of household survey, 52nd round in 1995 and 75th round in 2017, conducted by NSSO on social consumption of education have been used in this study. Data are analysed by using simple statistical tools like average and percentage.

RESULTS AND DISCUSSION

EXPENDITURE ON DIFFERENT LEVELS OF EDUCATION BY THE TYPE OF INSTITUTION DURING THE PERIOD BETWEEN 1995-96 AND 2017-18

Type of institution is an important determinant of the household expenditure in respect to different levels of education. By the type of institution, we mean the type of management through which the institution is governed. An institution or school or college might be run either by Government such as Central, State and Local or a private body which either receives or not receives government aid (NSS Report No. 585).

It is seen that average educational expenditure incurred by the households attending educational institutions run by the private ones has shown an increase in both rural and urban areas of Assam during the period between 1995-96 and 2017-18 at all levels of general education. Moreover, average educational expenditure incurred by the households attending educational institutions run by the Government has also shown an increase at all levels of education in both rural and urban areas of Assam during the above mentioned time period. It is observed that with the higher level of education the amount of expenditure on education in Government institutions has been increased in both NSSO rounds. It signifies that amount of expenditure on education is higher at higher level of education compared to that of at lower level of education. In case of private unaided institutions also the amount of expenditure on education increases with the higher level of education in 2017-18. In case of private aided institutions, expenditure on Graduate and above level is more than 3 times compared to primary level during the year 2017-18.

It is seen that average annual expenditure at all levels of general education is higher in urban areas compared to rural areas in both Government and private institutions during both the time periods. It signifies that urban households spend substantially greater amount on education compared to rural households irrespective of types of institutions. The urban-rural differences in average annual educational expenditures shows urban-rural disparity in household educational expenditure and it is defined as the difference between average annual expenditure on education for urban areas and rural areas relative to that of rural areas. It shows the percentage by which household expenditure on education in urban areas is more than household expenditure on education in rural areas. It is found that the urban-rural differences have been increased at primary, higher secondary and graduate and above levels of education in Government institutions during the period between 1995-96 and 2017-18. Although the urban-rural differences have been decreased at upper primary and secondary levels of education in Government institutions during the above mentioned period, but urban households still exhibit significantly higher expenditure on education compared to rural areas at upper primary and secondary levels. In case of Government institutions, the urban-rural difference is wider at primary level of education compared to higher level of education during both the time periods.

It is also seen that the urban-rural differences have been increased at all levels of education in private unaided institutions during the period between 1995-96 and 2017-18. It is revealed that the urban-rural difference is much wider at the graduate and above level of education compared to lower levels of

education in private unaided educational institutions during the year 2017-18. However, the urban-rural differences have been decreased at primary, upper primary, secondary and higher secondary levels of education in private aided institutions during the period between 1995-96 and 2017-18. As against this the urban-rural difference has been increased at graduate and above levels of education in private aided institutions between the above mentioned time period. Moreover, urban-rural difference is substantially greater at the graduate and above level of education compared to lower levels of education in private aided educational institutions also during the year 2017-18.

It is found that expenditure in government institutions is lower than that of in private institutions at all levels of education, except graduate and above level of education during the year 1995-96. During the year 2017-18 also household expenditure in government institutions is lower than that of in private institutions (both unaided and aided) at all levels of education. A significant difference is seen in average educational expenditure incurred by the households attending Government and Private educational institutions especially Private unaided institutions, more prominently for primary, upper primary and secondary levels of education where expenditure in government institutions is much lower than private unaided institutions during the year 1995-96 in both rural and urban areas. Between 1995-96 and 2017-18, the differences between household expenditure in Government institutions and Private institutions (unaided and aided) have been increased at all levels of education in both rural and urban areas. During the year 2017-18, a considerable difference is observed between average educational expenditure incurred by the households attending Government and Private educational institutions (both unaided and aided) where it is observed that expenditure in private educational institutions is much higher than government educational institutions at all levels of education in both rural and urban areas. Although substantial difference is observed between educational expenditures in Government and Private institutions (both unaided and aided) at all levels of education but the difference is most prominent at graduate and above level of education compared to lower levels in both rural and urban areas during 2017-18.

Table 1: Average Annual Expenditure in Government Institutions During the Period Between 1995-96 and 2017-18 in Assam

Average expenditure (Rs.)				
level of current enrolment in the basic course (1995-96)	Government institution			
	Rural	Urban	Rural+Urban	Urban-Rural differences (%)
Primary	192	492	211	156%
Upper primary/Middle	414	1015	468	145%
Secondary	760	1396	828	84%
Higher Secondary	1354	2274	1490	68%
Graduate & above	1983	3364	2207	70%
level of current enrolment in the basic course (2017-18)	Government institution			
	Rural	Urban	Rural+Urban	Urban-Rural differences (%)
Primary	1208	4010	1356	232%
Upper primary/Middle	2094	3266	2157	56%
Secondary	3696	4721	3777	28%
Higher Secondary	7408	16924	8791	128%
Graduate & above	9671	18209	11241	88%

Source: Author's calculation based on NSSO unit level data

Table 2: Average Annual Expenditure in Private Unaided Institutions During the Period Between 1995-96 and 2017-18 in Assam

level of current enrolment in the basic course (1995-96)	Private unaided institution			
	Rural	Urban	Rural+Urban	Urban-Rural differences (%)
Primary	2095	3412	2824	63%
Upper primary/Middle	2150	3710	3576	72%
Secondary	1818	2022	1997	11%
Higher Secondary	1220	2460	1788	102%
Graduate & above	1679	NA	1679	-----
level of current enrolment in the basic course (2017-18)	Private unaided institution			
	Rural	Urban	Rural+Urban	Urban-Rural differences (%)
Primary	11171	23008	14649	106%
Upper primary/Middle	12253	28650	17076	134%
Secondary	16858	35142	24261	108%
Higher Secondary	19785	43629	30623	120%
Graduate & above	11802	65974	37708	459%

Source: Author's calculation based on NSSO unit level data

Table 3: Average Annual Expenditure in Private Aided Institutions During the Period Between 1995-96 and 2017-18 in Assam

level of current enrolment in the basic course (1995-96)	Private aided institution			
	Rural	Urban	Rural+Urban	Urban-Rural differences (%)
Primary	259	2108	993	714%
Upper primary/Middle	443	2442	1441	451%
Secondary	838	1871	1122	123%
Higher Secondary	1448	1756	1567	21%
Graduate & above	1556	2231	1758	43%
level of current enrolment in the basic course (2017-18)	Private aided institution			
	Rural	Urban	Rural+Urban	Urban-Rural differences (%)
Primary	14670	16820	15610	15%
Upper primary/Middle	14162	19962	16172	41%
Secondary	15144	20462	16601	35%
Higher Secondary	17808	19145	18870	7%
Graduate & above	31719	56643	51786	78%

Source: Author's calculation based on NSSO unit level data

SHARE OF EXPENDITURE OF DIFFERENT LEVELS OF EDUCATION ON USUAL MONTHLY CONSUMER EXPENDITURE BY QUINTILE CLASSES OF UMPCE

In this section an attempt is made to study the share of expenditure of different levels of general education on household's usual monthly consumer expenditure by quintile classes of Usual Monthly Per Capita Consumer Expenditure (UMPCE) as usual monthly consumer expenditure has a connection with the expenditure on education. The share of average monthly expenditure of education on average usual monthly consumer expenditure per student for each quintile class of UMPCE is calculated at different levels of education.

In both urban and rural areas, it is seen that the shares of expenditure of all levels of general education such as primary, upper primary, secondary, higher secondary and graduate and above levels of education in household monthly expenditure have shown an increase among all the quintile classes of usual monthly per capita expenditure such as poorest (0-20), poor (20-40), middle (40-60), rich (60-80) and richest (80-100) during the period between 1995-96 and 2017-18.

In case of urban male, the share of expenditure of primary level of education in household monthly expenditure in the lowest quintile class (0-20) is about 1.78% on an average during 1995-96. The share then increased to 2.74% among the poorest group in 2017-18. In the highest quintile class (80-100) also the share has been increased from 5.72% to 9.13% for urban male during the above mentioned period. Thus, it is seen that the share of expenditure of primary level of education in household expenditure increases not only among the richest class but also among the poorest class. In case of upper primary level of education, its share in household expenditure has been increased from 2.41% to 5.37% in the lowest quintile class and from 5.73% to 11.74% in the top most quintile class for urban male during the above mentioned period. In case of secondary level of education, its share in household expenditure has also been increased from 2.77% to 6.28% in the poorest quintile class and from 5.75% to 13.81% in the top most quintile class during the above mentioned period. In case of higher secondary level of education, its share in household expenditure has shown an increase from 11.53% to 18.19% in the poorest quintile class and from 9.14% to 14.40% in the richest quintile class. In case of graduate and above level of education, its share in total household expenditure has been increased to 21.37% among the poorest class and from 10.71% to 15.08% among the richest class during the period between 1995-96 and 2017-18. Thus, it is seen that the share of different levels of general education in household monthly expenditure not only increases in the richest class but also increases in the poorest class during the above mentioned period for urban males. The shares of primary, upper primary, secondary, higher secondary and graduate and above levels of education rise by about 0.96%, 2.96%, 3.51%, 6.66% and 21.37% respectively in the poorest class during the period between 1995-96 and 2017-18. In the richest class, the shares of primary, upper primary, secondary, higher secondary and graduate and above levels of education rise by about 3.41%, 6.01%, 8.06%, 5.26% and 4.37% respectively during the same time period. It is seen that the rise in the shares of higher secondary and graduate levels of education is more in the poorest class compared to richest class. On the contrary, it is found that the rise in the shares of primary, upper primary and secondary levels of education is more in the richest class.

In case of urban female, the shares of primary, upper primary, secondary, higher secondary and graduate and above levels of education rise by about 4.97%, 3.22%, 8.18%, 12.62% and 30.34% respectively in the poorest class during the period between 1995-96 and 2017-18. However, in the richest class, the shares of primary, upper primary and secondary levels of education fall by about 1.11%, 0.33% and 0.67% respectively. In case of higher secondary and graduate and above levels of education, their shares in household monthly expenditure rise by about 4.24% and 8.05% respectively in the richest class during the period between 1995-96 and 2017-18. It is observed that the rise in the shares of higher secondary and graduate and above levels of education is more in the poorest class compared to richest class for urban females also in the state.

In case of rural males, the shares of primary, upper primary, secondary, higher secondary and graduate and above levels of education rise by about 1.31%, 3.09%, 2.21%, 4.24% and 3.44% respectively in the poorest class during the period between 1995-96 and 2017-18. In the richest class, the shares of primary, upper primary, secondary, higher secondary and graduate and above levels of education rise by about 2.96%, 1.76%, 1.92%, 2.77% and 1.22% respectively. It is seen that the rise in the shares of upper primary,

secondary, higher secondary and graduate and above levels of education is more in the poorest class compared to richest class for rural males in the state.

In case of rural females, the shares of primary, upper primary, secondary, higher secondary and graduate and above levels of education rise by about 0.83%, 0.86%, 5.61%, 8.11% and 9.08% respectively in the poorest class during the period between 1995-96 and 2017-18. In the richest class, the shares of primary, upper primary, secondary, higher secondary and graduate and above levels of education rise by about 0.74%, 1.5%, 2.62%, 4.73% and 2.77% respectively. It is evident that the rise in the shares of primary, secondary, higher secondary and graduate and above levels of education is more in the poorest class compared to richest class for rural females in the state during the above mentioned time period.

Table 4: Share of Average Monthly Expenditure on Education in Average Usual Monthly Consumer Expenditure per Student by Level of Education for Each Quintile Class of UMPCE in Assam

Urban Male (1995-96)					
Quintile Class of UMPCE	Primary	Upper Primary/Middle	Secondary	Higher Secondary	Graduate and above
0-20	1.78	2.41	2.77	11.53	NA
20-40	1.66	2.60	4.40	4.77	7.40
40-60	1.79	2.21	3.57	5.76	4.27
60-80	5.07	5.27	4.69	6.29	10.62
80-100	5.72	5.73	5.75	9.14	10.71
Urban Male (2017-18)					
Quintile Class of UMPCE	Primary	Upper Primary/Middle	Secondary	Higher Secondary	Graduate and above
0-20	2.74	5.37	6.28	18.19	21.37
20-40	4.97	2.69	4.80	14.89	8.70
40-60	7.16	5.57	5.03	12.05	11.81
60-80	6.14	5.85	14.45	6.60	13.60
80-100	9.13	11.74	13.81	14.40	15.08
Urban Female (1995-96)					
Quintile Class of UMPCE	Primary	Upper Primary/Middle	Secondary	Higher Secondary	Graduate and above
0-20	1.08	2.48	3.28	NA	NA
20-40	1.39	2.26	3.57	3.75	1.60
40-60	1.59	1.97	6.04	2.80	NA
60-80	6.21	4.37	4.72	5.20	7.44
80-100	6.29	6.54	8.64	5.16	8.59
Urban Female (2017-18)					
Quintile Class of UMPCE	Primary	Upper Primary/Middle	Secondary	Higher Secondary	Graduate and above

0-20	6.05	5.70	11.46	12.62	30.34
20-40	3.37	3.56	6.95	4.24	10.28
40-60	5.25	3.96	7.30	8.65	26.50
60-80	6.75	4.87	8.20	10.11	7.62
80-100	6.78	6.98	8.97	9.40	16.64

Source: Author's calculation based on NSSO unit level data

Table 5: Share of Average Monthly Expenditure on Education in Average Usual Monthly Consumer Expenditure per Student by Level of Education for Each Quintile Class of UMPCE in Assam

Rural Male (1995-96)					
Quintile Class of UMPCE	Primary	Upper Primary/Middle	Secondary	Higher Secondary	Graduate and above
0-20	1.01	1.60	3.40	5.74	5.70
20-40	0.88	1.66	2.46	6.73	5.80
40-60	1.13	1.70	3.03	4.93	5.58
60-80	0.71	1.74	2.87	3.62	5.58
80-100	0.97	2.20	3.22	5.46	8.94
Rural Male (2017-18)					
Quintile Class of UMPCE	Primary	Upper Primary/Middle	Secondary	Higher Secondary	Graduate and above
0-20	2.32	4.69	5.61	9.98	9.14
20-40	2.24	3.50	4.67	10.91	12.33
40-60	2.23	2.28	3.82	7.15	5.31
60-80	1.79	2.73	5.05	6.93	14.31
80-100	3.93	3.96	5.14	8.23	10.16
Rural Female (1995-96)					
Quintile Class of UMPCE	Primary	Upper Primary/Middle	Secondary	Higher Secondary	Graduate and above
0-20	1.01	1.95	2.78	NA	7.97
20-40	0.76	1.58	3.01	4.42	5.87
40-60	0.79	2.06	2.84	4.31	4.74
60-80	0.81	1.79	2.62	4.53	5.72
80-100	1.33	1.79	2.51	4.73	6.52
Rural Female (2017-18)					
Quintile Class of UMPCE	Primary	Upper Primary/Middle	Secondary	Higher Secondary	Graduate and above
0-20	1.84	2.81	8.39	8.11	17.05

20-40	1.95	2.71	3.88	8.30	8.67
40-60	1.59	2.28	3.64	7.78	9.32
60-80	1.94	2.26	7.11	10.09	14.97
80-100	2.07	3.29	5.13	9.46	9.29

Source: Author's calculation based on NSSO unit level data

CONCLUSION

From the above analysis, it is seen that with the higher level of education the amount of expenditure on education in Government and private institutions has been increased over the NSSO rounds. Moreover, it is also found that higher is the level of education, higher is the share of educational expenditure in usual monthly household expenditure in both the poorest and richest classes. Expenditure on education in urban areas is more than rural areas among both the poorest and richest classes. This may be due to the fact that either cost of materials, fees etc. related to education is higher in urban areas or the urban people being more literate than the rural people is expected to lay greater emphasis on education due to which they expense more on education. It is also seen that the rise in the shares of different levels of education, especially higher levels of education, in household expenditure is more among the poorest class compared to richest class in the state during the study period. It is found that although the share of education spending is higher among the wealthiest or richest households compared to poorest households at some levels of education but the difference in share of educational expenditure between the richest and the poorest households is not very large. Despite limited financial resources poorest households allocate a significant portion of their budget on education. Moreover, at some levels of education poorest households devote a substantial share on education which is more than richest households. As the share of expenditure on higher level of education is more than that of the lower level of education so it can be suggested that Government should focus on free education, tuition fee waiver and scholarships at higher level of education too in the state. Moreover, Government should support poorest class households regarding educational expenses in the state.

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