

HOUSEHOLD EXPENDITURE ON EDUCATION IN ODISHA: AN ANALYSIS OF NSSO DATA

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Education expands the quality of life and develops manpower for different sections of the economy. Investment in education is considered as an investment in human capital. Expenditure on education is made by two sources i.e., Public expenditure and household expenditure. Household expenditure refers to the expense incurred by students/their parents. Public expenditure include both the expenditure by the state government and central government. Expenditure on education is dominated by Individual household and is key motivations for household saving. The objective of the paper is to calculate the amount of household educational expenditures on education on the basis of different types of education, level of attendance, quintile classes of UMPCE (Usually monthly per capita consumer expenditure), type of institutions, and their component of expenditure. The paper broadly based on NSSO data of 64th Round, 2007-08 and 71st Round, 2014. The results of the paper revealed that Household expenditure on education on various items such as course fees, books, stationary and uniform, transport, private coaching has highly increased over the period of time both in rural and urban areas. Paucity of public expenditure in education compelled households to invest in education. Even the poor households spend a substantial amount of their income on education out of compulsion, which has an adverse effect on their standard of living sometimes it compel them to drop out their children from school. Education is one area that has witnessed one of the fastest growth rates among different expenditure heads of Indian households. Therefore, to stimulate households for educating their children, the government should give high priority to make education more affordable at all levels by raising public expenditure on education.

Keywords: Household Expenditure, Education, Component of Expenditure, Institution types.

INTRODUCTION

Plato believes that education is essential for the development of individuals, society and the nation as it promote virtue. According to him education should be universal and compulsory for all. The classical economist like Adam smith, Ricardo, Malthus, J.S. mill have faith on education for all, as it can reduce the gap between haves and have-nots. Adam smith in his wealth of nation disclose the secret that the prosperous society can be built by providing education to all i.e. from capitalist to workers. Neo classical economist by advocating the role of knowledge as a factor of production for increasing returns accept the importance of education in economic growth (N.G. Mankiw, D.Romer, D.N.weil, 1992). Economist revealed that there is high positive correlation exists between development of human capital and economic growth. Present view on education is throw money at a problem .The countries, by throwing money or by thoughtful investment in education become prosperous by realizing higher growth rates than those who neglected it. (Robert E. Lucas Jr., 1988). They depend on educated and skilled human resource to evade the transformation of poverty between generations, to prevent the malnutrition among children, to provide health and wellbeing, to bring gender equality, to better utilise the scarce resources particularly water and energy for sustainable development ,to maintain internal peace and universal brotherhood. It is accepted that investment in education is essential for prosperity of both the individual and the nation.

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Education has a significant positive impact on addressing different issues like improvement in health and nutrition status of the population, reduction in fertility rates, controlling the rising growth rate of population. It also reduce crime, child labour, exploitation of children, and poverty. Education improves labour productivity, shrink inequality by redistribution of resources and it helps in reducing inequalities in education also (J.Tilak, 2009). Education acts as an instrument to cure the problematic diseases in India including poverty and unemployment, malnutrition (World Bank, 2004). Sen (2007) envisions that education may aid in inclusive growth of the country, promote social-cohesion and lead to the nation-wide development. Public educational facilities emphasizes on development of the critical and creative abilities of the students which is the strength of the democracy particularly for a developing country like India (Nussbaum, 2006). The majority of population in India could not afford high admission fees and charges of private schools. Public schools are more affordable to the masses, which emphasizes the importance of public expenditure on education (Sen, 2013). A large number of studies advocate for public expenditure on education.

In India different commissions and committees advocate for public intervention from time to time. The secondary education commission 1952-53, recommended to make education a fundamental right to every citizen and to provide free and compulsory education up to the age of 14. In 1964, the Kothari commission had recommended for 6% of GDP for education expenditure. Education was transferred from state to concurrent list by 42nd constitutional amendment Act, 1976. In 86th Amendment Act, 2002 under Article 21-A in the constitution of India provide free and compulsory education of all children in the age group of 6 to 14 years as a Fundamental right. Article 45 in The Constitution of India 1949, NPE 1968 and 1986, DPEP (1991), SSA (2001), RTE Act 2009 all are battling for free and compulsory education to every child in India. The aim is no child will remain out of per view of elementary education due to inability of paying the fees and other expenditure of education. Still free education in India is a question mark.

Public expenditure on education as a proportion of GNP has been quite below the target of spending 6% of GNP. (Tilak, 2004). Till 2019-20 the government was not able to allocate 6% of its GDP on education, the trend (as a percentage of GDP) vary between 2 % to 5% of GDP. Expenditure on education was 2.8 per cent of the GDP in 2014-15, 2.4 per cent in 2015-16, 2.6 per cent in 2016-17, and 2.7 per cent in 2017-18 (Economic Survey 2018). India spent 3% of its total GDP on education in 2018-19 or about 5.6 lakh corer rupees. Inadequate public expenditure in education requires substantial expenditure by the households. Over the years it is found that the household expenditure is increasing rapidly. Some argue the cause is willingness to pay for education other feel it is the compulsion on household to spend on education as the public expenditure is quite inadequate.

Expenditure on education is made by two sources i.e., public expenditure and household expenditure. Household expenditure refers to the expense incurred by students/their parents on transportation, purchasing stationary like text books, copies, uniform, hostel fee, private tuition fee etc. Public expenditure include both the expenditure by the state government and central government. Despite of many initiatives taken by the government for free and compulsory education households still have to bear a large amount of expenditure on education of their school going children in India. This trend is also remarkably found even in government aided schools which is an important constraint for the low income group to provide education to their children (Tilak, 2002). With this back ground the paper try to explore the household expenditure on education in Odisha with different parameters such as level of education, items of expenditure and rural urban disparities by using two rounds of NSSO data.

EXISTING LITERATURE

It has been widely accepted that household expenditure on education has been less explored in the existing literature. This can be attributed to the data constraints faced by the researchers. Though the studies conducted in this area strongly suggest that the expenditure incurred by the households is significant (Panchamukhi 1965; Kothari 1966). More importantly, it was measured that no matter how much the government contributes to the education sector, there is huge cost incurred by the households. It includes opportunity costs as well. In 1980, it was just private expenditure on education that contributed 3.5% of the Gross National Product (Tilak 1987). Meagre studies that have been conducted in the recent past employ data sets published by NSSO, NCEAR, Central Statistical Organization (CSO). At times, there are household surveys conducted by research organizations/researchers. However, the data on household expenditure on education is collected at irregular intervals. Also, not every data set of NSSO or NCEAR provide detailed information about all the factors determining expenditure on education.

This section discusses the existing literature on household expenditure on education in India that revolves around the determinants of expenditure on education, relationship between government and private expenditure, and few analyse National Sample Survey Organization (NSSO)/ National Council of Applied Economic Research (NCEAR) data sets overtime to discern expenditure on education by the household sector. Some studies make use of econometric techniques while few use analytical tables.

Recently, Rao (2014) conducted a study analyzing NSSO for the time frame of 17 years from 1995-2013 to examine household expenditure on education. Both rural and urban sectors were considered in addition to the detailed analyses of the share of items at different levels of general education. As a result, the author infers that expenditure on primary education is sizeable in both rural-urban domains during the time frame considered. Considering item-wise expenditure, it has been concluded that fees and transport constitute a majority proportion of private expenditure at all levels of education. Gender gap prevails while analyzing the results suggesting that willingness to pay for the girl child of the families falls short to the male. Despite various initiatives taken by the government of India to make education accessible for all, expenditure on fees, school uniform, books/stationary have taken an increasing trend over the years. Overall, private expenditure has increased over the years particularly in urban zones.

It is interesting to note that Rao (2014) points out at the difference between actual expenditure and the willingness to pay of the households. Several households spend inadequately for books, uniform and other stuff. The analysis done does not usually consider these aspects, otherwise, the figures would have been even more. The author conveys the important fact that “there was nothing like free education at any level in India, even the poor people have to spend equal amount as richer ones do”. On the other hand, Tilak (2009) considers expenditure on education as an essential ingredient to define poverty line. He states that lack of education in India explains the prevailing figures of poverty. According to the author, a good definition to poverty line in terms of expenditure/ income can be determined by examining the minimum level of income required to attain a minimum level of education, defined in terms of both quantity and quality. The paper employs NSS data set for analyzing expenditure on education.

As per the National Accounts Statistics (NAS) data set, private expenditure has increased from Rs.

59 crores to Rs. 67.7 thousand crores from 1950 to 2008. The figures of NAS dataset are provided for both current/ constant prices. The data clearly indicates that the 'private final consumption expenditure on education' is considerable and increasing exponentially (Tilak 2009). Income of the households is one of the important determinant of level of household expenditure in education. It is found that high income households spend more on education than low income households. (Tilak, 2002). It is also found that the households expenditure supplement the public expenditure in education. With increase in government expenditure on education, households also increase their expenditure on education, but, the coefficient of elasticity is less than one, i.e., the proportionate increase in household expenditure on education is less than the proportionate increase in government expenditure on education .

Considering the latest rounds of NSS data, more detailed information on household expenditure on education can be extracted. Tilak (2009) reviewed 62nd, 63rd and 52nd round of NSS to present analysis overtime. This data was adopted to differentiate among different monthly per capita expenditure class and to get a clear image of rural and urban areas separately. The results demonstrated that for both lower and higher quintile classes, the expenditure increased in both urban and rural areas. For instance, in rural areas, it rose from Re 0.90 in 1995-06 to Re 1.91 in 2007 for the lower quintile. A similar trend was observed for the top quintile. For the high-income class, the expenditure tripled from Rs27 to Rs95 over the years.

In addition to this, numerous studies highlight the significance of analyzing household expenditure on education by the level of education. However, not all rounds of NSS gives detailed information about that. Tilak (2009) in his study reveals that there exist inequalities across the level of education and the type of education. These include variability in terms of rural/ urban expenditure. In fact, expenditure by households belonging to different MPCE quintiles differs across levels of education. At primary level, upper quintile spends a significantly huge amount than the lower quintiles. However, the difference is minimal for higher education. Tuition fees forms a major component of expenditure at each level (primary, secondary and higher levels). It was observed that household expenditure in government-aided schools exceeds that of government/ local-body school, on any item of expenditure.

Literature determining factors affecting private expenditure manifests a positive relationship between the income and spending on education. On the contrary, Dang (2007) considers the effect of change in income to that household expenditure in terms of tuition fees ignoring other factors which contributed a major junk to overall expenditure of families. Other studies highlighted the importance of religion, caste, gender, family location in explaining the expenditure.

Several studies that employ econometric analysis include scholarly article by Choudhury (2011) and Tilak (2002). Choudhury (2011) used the data collected from primary survey for households in Delhi and created a regression equation to examine the determinants of private expenditure. The entire focus of the study is based on engineering education. The results of the study were against the arguments presented using NSSO data. To mention a few of them, gender inequality doesn't prevail in engineering education particularly in Delhi. Type of institutions has a no big role to play in the context presented as household spend almost equal amount on fees, books, conveyance, etc., be it government or private colleges. However, this may not be the case in other states where gender inequality is high.

Similarly, Tilak (2002) used HDI survey by NCAER data from January'94 to July'94 with the objective of analyzing household expenditure on education in detail. He took into consideration socio-economic factors, items of expenditure, type of institution, demographic (size of the family), caste/religion, school related factors (uniform, books, stationary, mid-day meals). Elasticity coefficients were also estimated between government and private expenditure suggesting that the two are complementary goods. Government expenditure on education does not reduce private expenditure. Beyond using the analytical tables, the author employs household expenditure function. These are regression equations used to identify the determinants affecting household expenditure.

In the studies conducted worldwide, Ulusoy and Yolcu (2013) in their article finds whether school-related and social/economic variables make any difference to the household expenditure. The authors use primary data for the purpose. "Data analysis, descriptive statistics, Kruskal Wallis H test, Mann Whitney U test, t test, and ANOVA were used in this research". They found that there is a positive and substantial relationship between changes in wealth and increase in educational expenditure.

We thus observe that though there are studies analyzing household expenditure on education in India, however the analyses may not be true for every state in India. For instance, take the case of Delhi as done by Choudhury in his article "Patterns and determinants of household expenditure on Engineering education in India", there coefficient of gender inequality was not so significant at higher levels of education. However, the situation might be different in many backward states like Orissa, Jharkhand, Bihar, etc. Thus, in order to introduce policies in the education sector it is essential to study each state separately. This study is an attempt to analyse the scenario of Odisha.

DATA AND METHODS

Secondary data was used for the paper. The paper broadly based on NSSO data from the report "Social Consumption: Education" was conducted in NSS 71st round (January-June 2014). A sample of 36479 rural households from 4577 villages and 29447 urban households from 3720 from blocks was surveyed all over India. NSSO data explains private expenditure on education as "Individuals attending educational institutions incur expenditure in the form of payment of course fees (including tuition fee, examination fees etc.), purchase of books, stationeries and uniforms, expenses on conveyance, private coaching, etc. This paper presents a comparative discussion on few important indicators for 2007-08(NSS 64th Round) and 2014 (NSS 71st Round). It also includes data from Economic survey of Odisha; Government of Odisha, Selected Educational Statistics, reports of Planning commission, reports of Ministry of social justice and empowerment; Government of India. In addition to the documents, various books and journals are referred and used

RESULTS AND DISCUSSION

Status of Education in Odisha

Odisha is one of the eastern state of India with population of 41,974,218 out of which 21,212,136 are male and 20,762,082 are female (as per 2011 census of India). The literacy rate of Odisha has been increased from 63.08 % in 2001 to 72.87 % in 2011. Male literacy rate is 81.59 % and female literacy rate is only 64.01%. However, the literacy figures according to the census of India (2011) are more or less same with India.

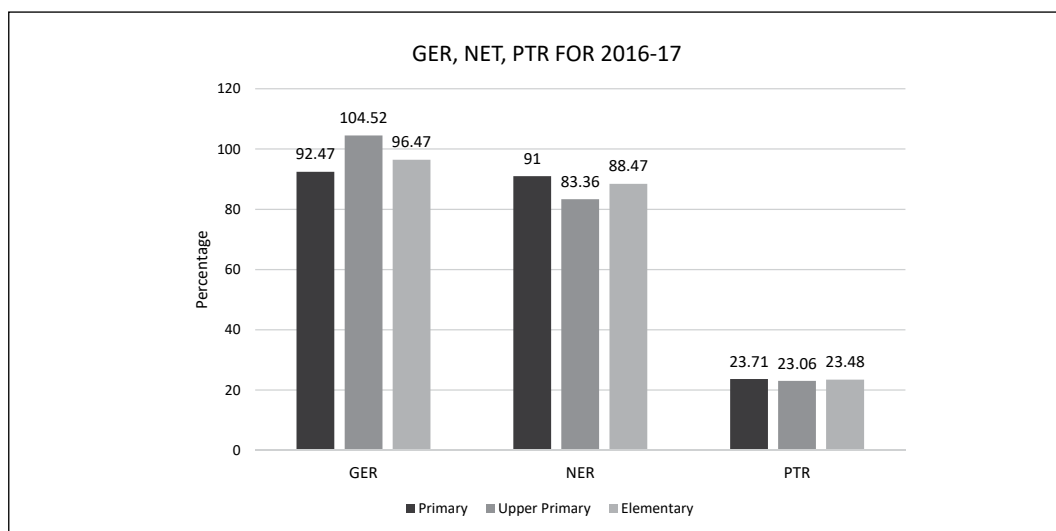
Table 1: Growth of Literacy in Odisha Vis-à-vis India

Year	Odisha (literacy in %)				India (literacy in %)			
	Male	Female	All	Decadal growth	Male	Female	All	Decadal growth
1951	27.32	4.52	15.80	-	27.16	8.86	18.33	-
1961	34.68	8.65	21.66	5.86	40.4	15.35	28.3	9.33
1971	38.29	13.92	26.18	4.52	45.96	21.97	34.45	6.15
1981	46.39	20.60	33.62	7.44	56.38	29.76	43.57	9.12
1991	63.09	34.68	49.09	15.47	64.13	39.29	52.21	8.64
2001	75.35	50.51	63.08	13.99	75.3	53.7	64.8	13.2
2011	81.59	64.01	72.87	9.79	80.89	64.64	72.99	9.24

Source: Census Reports

Gross Enrolment Ratio

It is found that the Gross Enrolment Ratio (GER) has been rising in 2016-17 in Odisha. The GER for primary education is 92.47%, for upper primary education is 104.52%, and for elementary education is 96.47%. The data confirm GER for elementary education is better in comparison to primary education. The GER for upper primary education is highest among these three levels of education. Net Enrolment Ratio (NER) is highest for primary education at 91% and lowest for upper primary level i.e., 83.36%. This implies that the proportion of children in official school age at upper primary level is lowest, among these three levels of education. Net Enrolment Ratio (NER) of elementary education is 88.47%. The pupil-teacher ratio (PTR) is almost the same across the different levels of education in Odisha. It indicates that there exists no difference to the PTR, no matter with the strength of students' enrollment for different levels of education, that is, primary, upper primary or elementary education. The figure stands still revolving around 23%.

Figure 1 : Gross Enrolment Ratio, Net Enrolment Ratio and Pupil-Teacher Ratio for 2016-17

Household Expenditure on Education: Indian Scenario

According to the NSS 71st round report 2014, the average expenditure per student on different level of education has increased from the previous round (64th) 2007-08. The average expenditure per student has increased from Rs 2461 to Rs 6788 for general education. The amount of expenditure has almost doubled for technical/ professional education i.e., from Rs 32112 to Rs 62841. Same is the case for vocational education. Moreover, it has been observed that the average expenditure per student on technical and vocational courses exceeds that of general education by 9 and 4 times respectively.

Considering average expenditure by the level of attendance, private expenditure in urban areas was 3 times than that in rural areas for all levels of general education. For primary education, average expenditure per student is Rs 10083 in urban areas which is only Rs 2811 for rural areas in 2014. These figures have improved over the years from 2007-08 from Rs 3626 in urban areas and Rs 826 in rural areas respectively. Overall, there has been a multifold incline the average expenditure at all levels of general education.

At all levels of technical education except upto secondary level, average expenditure in urban areas exceed that in rural areas. For the category, upto secondary, the expenditure per student in rural areas is Rs 29766 while in urban it is Rs 16840. However, the gap diminishes with the increasing level of level of technical education. Interestingly, NSSO data doesn't imply gender inequality at technical level of education.

In addition, it is a pre-conceived notion that there exists a positive relationship between UMPCE classes and average expenditure. This is true for all levels of education. At primary level, the lowest quintile expenditure in rural and urban areas were Rs 1027 and Rs 3465 respectively. While the expenditure of highest quintile were Rs 7595 and Rs 28658 respectively, on an average. Of course, the expenditure in urban areas is far more than its rural counterparts.

Institutions play a major role when we talk about private expenditure. Huge gap in the spending was observed between schools run by private and government institutions. Particularly for general education, at primary level that gap between govt. and private-unaided schools was 10 times. The average expenditure on education for government schools was Rs 1111 while it was Rs 10623 for private unaided schools. However, the gap reduces as we move along higher levels of general education also, at technical/ professional level of education the average expenditure per student in private-aided/ unaided is just in the range of 1.5 to 2.5 times than in government institutions.

It is essential to distinguish between components of expenditure. It needs to be highlighted that it is not just course fees but textbooks, uniforms also form a huge proportion of private expenditure. Course fee contains examination fees, development fees, session charges, library fees, games fees, laboratory fees and other similar type of payments. Course fee in 2014 had the maximum share of 48% in rural and 59% in urban for both general and technical education. Private coaching was another major component for general education contributing 14.1 % and 16.5 % to the expenditure in rural and urban areas respectively. For technical/ professional and vocational, the figures were 2.3% and 3.1%. Thus, it can be inferred that students acquiring general education were taking more of private coaching. Books and stationery is the second major component of expenditure after course fees.

Expenditure on Education in Odisha

Improving literacy rate has been the key goal of the government in the recent years. The State Government & Central Government aims to attain 100% literacy rate. As an attempt to achieve this, new educational institutions have been set up to accomplish the goal of 100% literacy to all. Presence of premier educational institutions has established various opportunities for students to learn and grow. Both government and private institutions have an important role to play to change the picture of the state to an educational-hub like AIIMS, IIT, IIIT, NISER, Institute Of Physics, Institute of Mathematics & Applications, Institute Of Life Science, National Law University (Cuttack), State Universities, KIIT, Xavier University, Sri University, and more than 70 technical institutions add value to it. The huge variety of universities and educational institutions recently developed in Orissa gives enough incentive to study in the state. Thus, expenditure on education has a significant role to play in Odisha. To list a few of the government initiatives taken in the education sector, Rs.2,000 crore is assigned for Sarba Sikhya Abhiyan, followed by Rs.860 crore on mid-day meal scheme and Rs.706 crore on Rashtriya Madhyamika Siksha. Rs.185 crore is allocated for free uniform and bicycle to students in the year 2018-19. This initiative of the government has been highly encouraged as it motivates students to enroll for education. However, despite huge expenditure has been incurred by the Government of Odisha, they have not yet achieved the target. Unexpectedly, the outcome is not reaching up to expectations. The individuals at ground level are not being able to reap the benefits of the government initiatives. They still have to incur huge expenditure for their children to attain education. This section discusses the expenditure by households in Orissa and how does it varies across levels of attendance, type of education, Rural/urban differences, type of institution, etc.

Table 2: Average Expenditure per Student Pursuing General -Education at Different Level at Current Attendance

Level of attendance	Rural Odisha			Urban Odisha			All Odisha			% change between Rural And Urban	
	male	female	Per Students Expenditure	male	female	Per Students Expenditure	Male	female	Per Students Expenditure	Male	Female
Primary	2026	1933	1982	8257	5306	6865	2731	2316	2536	307.55	174.50
Upper primary	2791	2094	2491	8146	7985	8080	3645	2974	3358	191.86	281.33
Secondary	4669	4720	4693	13921	8692	11141	6283	5568	5938	198.15	84.16
Higher secondary	8422	9294	8739	10469	9682	10117	8675	9359	8932	24.30	4.18
Graduate	10175	8353	9694	11191	9325	10504	10446	8714	9935	9.98	11.64
Post graduate & above	0	6600	6600	14870	19189	19118	14870	1706	17035	0	190.75
Diploma	10060	10326	10213	11083	6101	9342	10376	9683	10015	1.52	7.34

Source: Participation and expenditure on education in Odisha, and Directorate of economics and statistics, Odisha, GOVT. Of Odisha, 2014.

The above table indicates that at primary level of education expenditure per student is more than 3 times for urban students in comparison to the rural areas. It is higher for male as well as females in urban areas. This implies that if primary education is cheaper in rural areas then people there will have more incentive to at least send their children to attain primary education. This may aid in poverty eradication which is the entire agenda for investment in education. However, if this would not have been the case, families in rural areas would have been demotivated to send their kids to school for higher levels of education. This reflects the efforts that the government have been enacting upon to motivate families to incur minimal expenditure on their children. On the contrary, it is unacceptable to make sweeping generalizations that government had an objective to motivate primary education in rural areas, at the least. Thus, higher expenditure per student in urban-zone only builds up the thought that there is a stronger incentive to attain education. It becomes worth highlighting that there is a significant difference in expenditure per child in rural and urban areas. This is especially true for primary and upper primary level where there is a tremendous requirement for expenditure. Table 2 shows that expenditure in urban areas on primary and upper primary level exceeds by 3 and 4 times respectively. One interesting block in the table indicates that in rural areas expenditure on female student is more than what is observed in urban areas at Diploma level.

Table 3: Average Expenditure per Student Pursuing Technical Education at Different Level at Current Attendance

Gender	Level of attendance					
	Higher secondary	Graduate	PG and above	Diploma/ certificate		
				Up to secondary	Higher secondary	Graduate and above
Rural						
Male	12907	36603	25719	24178	42561	62023
Female	3742	27105	42182	43347	26430	53706
Per student expenditure	10100	34230	26068	26402	39691	61166
Urban						
Male	14925	44372	48451	28267	124538	62789
Female	11655	80177	41812	21586	40598	58014
Per student expenditure	12836	50140	464553	26696	99227	61595
All Odisha						
Male	14180	37637	28463	25320	63692	62360
Female	10646	31420	41912	32990	32228	56700
Per student expenditure	12197	36150	29355	26493	56965	61374

Source: Participation and expenditure on education in Odisha, and Directorate of economics and statistics, Odisha, GOVT. Of Odisha, 2014.

Table 3 depicts average expenditure per student pursuing technical/professional and vocational education at different levels both for rural and urban Orissa. It is clearly visible that expenditure on technical education is higher in urban areas at all levels of education. However, it is noteworthy to point out that the expenditure for males exceeds that of females for each level except for diploma up to secondary and higher secondary in rural areas. The same situation prevails for urban Orissa for Graduation level. At all-Orissa level, the average expenditure per student is more for males at the higher secondary and graduate level and further.

Table 4: Average Expenditure per Student Pursuing General Education at Different Levels for Each Quintile Class of UMPCE.

Level of Attendance	Quintile classes of UMPCE				
	1	2	3	4	5
Rural Odisha					
Primary	1143	1483	1888	2354	4981
Upper primary	1518	1952	2047	3165	4144
Secondary	3679	3495	5106	5793	4819
Higher secondary	6953	6954	6933	7680	12200
Graduate	8558	11459	10318	11101	9072
Urban Odisha					
Primary	1579	6228	8671	14410	11881
Upper primary	4922	4664	7471	8691	14637
Secondary	3212	7507	10435	9498	23068
Higher secondary	6542	8666	10115	18125	11524
Graduate	6049	8474	13534	12483	8755

Source: Participation and expenditure on education in Odisha, and Directorate of economics and statistics, Odisha, GOVT. Of Odisha, 2014.

Table 4 indicates that obvious finding by many authors of positive relationship between Usual monthly per capita expenditure and aggregate spending on education. In most studies it has been found out that the greater the MPCE the more do the households spend for their children for acquiring education. In agrarian Odisha, expenditure made at primary/elementary level by the bottom quintile section is quantified as Rs1143 in rural Odisha. While considering the upper quintile section the figure is Rs 4981. The same for the superlative quintile class, was 4981. The trend is constant across all levels of general education. On an average, students from non-rural areas at fundamental levels belonging to the lowest to the highest quintile classes spent in the range of Rs1579 to Rs11881 and at secondary level this range varies from Rs 3212 to Rs23068. Only at secondary level, households belonging to the fourth quintile there has been a minimal decline than the third quintile of MPCE.

Table 5: Average Expenditure per Student Pursuing Technical/ Professional Education at Different Levels for Each Quintile Class of UMPCE.

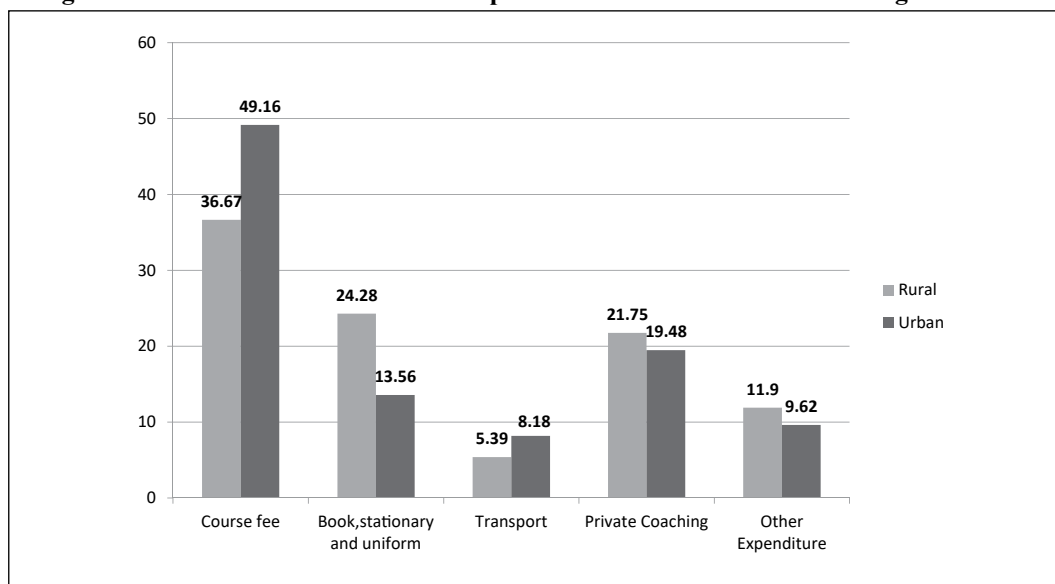
Level of attendance	Quintile class of UMPC				
	1	2	3	4	5
Rural Odisha					
Higher Secondary	0	0	16991	8400	7658
Graduate	0	9500	11000	12633	50000
Post Graduate and Above	23500	0	0	39952	24489
Diploma (Up to Secondary)	19139	23596	18547	21990	36891
Diploma (Higher Secondary)	10169	24905	29736	37840	50162
Diploma (Graduate and Above)	23100	18330	28785	58788	73408
Urban Odisha					
Higher Secondary	0	0	0	0	12836
Graduate	0	0	0	76710	41027
Post Graduate and Above	0	0	55997	41241	57603
Diploma (Up to Secondary)	10950	28373	26390	55710	0
Diploma (Higher Secondary)	30626	30067	32409	52702	520878
Diploma (Graduate and Above)	114860	57537	69575	56946	57736

Source: Participation and expenditure on education in Odisha, and Directorate of economics and statistics, Odisha, GOVT. Of Odisha, 2014.

Table.5 depicts average expenditure per student by different MPCE classes at different levels of technical/ professional and vocational education in both rural and urban Odisha. It is surprising to observe that almost no individual belonging to the bottom most quintile is spending on the higher secondary and graduation of their children in both urban and rural areas. In fact, average spending is nil on post-graduation by the lower quintile in urban areas. The picture is dizzier at technical/ professional education that at general level. In rural Orissa, for higher secondary and graduate diploma there is an upward trend across MPCE classes. However, the trend is not consistent for all levels of technical/professional education (including vocational). It is not necessarily in the case of technical education that top quintile spends more than the lower quintiles. It has an important implication that middle quintile of MPCE are more inclined towards spending on their children's education. The top most quintile do not prefer much to spend heavily on higher levels of education.

Item-wise Expenditure

The private education expenditure comprises of different items of educational expenditure like course fees, books, stationery and uniform; transport; private coaching; etc. Course fee comprises examination fees, development fees and other compulsory payments such as session charge, library fees, games fees, laboratory fees and other similar payments, which may be made on regularly basis (NSSO Report, 2014).

Figure 2: Classification of Item Wise Expenditure on Education in Percentage in Odisha

Source: Participation and expenditure on education in Odisha, and Directorate of economics and statistics, Odisha, GOVT. Of Odisha, 2014.

As indicated by various literatures reviewed above, course fees constitute a major proportion of household expenditure. This is evident for the case of Orissa as well in both urban and rural Orissa, as indicated by figure 2. Education here includes both general and technical/professional education. It is eye catching to observe that expenditure on books, stationery, uniform, private coaching in rural Orissa is more than that in urban Orissa contributing 24.28%, 21.75% and 11.9%. This explains the lesser number of children taking education in rural Orissa. Private coaching also forms a major component of expenditure in rural areas. This questions the quality of education in rural areas.

Table 6: Measure Component of Expenditure and their Share (%) in Total Expenditure for General and Technical / Professional Education

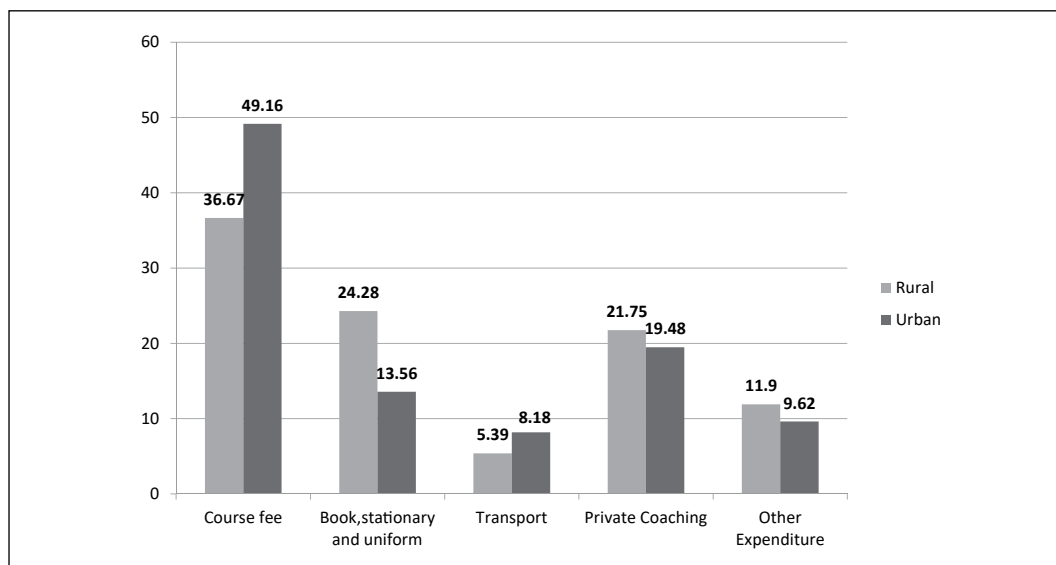
	General Education		Technical/professional education (including vocational)	
	Rural Odisha	Urban Odisha	Rural Odisha	Urban Odisha
Course fee	23.34	28.31	65.47	72.56
Books, Stationery etc.	30.04	18.47	11.83	8.05
Transport	5.23	11.13	5.73	4.86
Private Coaching	30.07	31.24	3.81	6.28
Other Expenditure	11.31	10.84	13.16	8.25
Total	100	100	100	100

Source: Participation and expenditure on education in Odisha, and Directorate of economics and statistics, Odisha, GOVT. Of Odisha, 2014.

If we observe Table 6 carefully, it provides a distinction of components of expenditure for general education and technical/ professional education in rural and urban areas. Course fee is higher for both general and technical education in both areas. In addition, it forms the major proportion of total expenditure, that is, 28.31 % and 72.56%. Rest of the expenditure figures are in line with combined figure (figure 2) of general, technical and vocational education.

Type of Institutions

Figure 3: Average Expenditure per Student Pursuing General Education for Different Discipline According to Different Institutions in Odisha



Source: Participation and expenditure on education in Odisha, and Directorate of economics and statistics, Odisha, GOVT. Of Odisha, 2014.

Figure 3 represents how does the average expenditure per student differs for government, private aided and private-unaided institutions. Students pursuing education from schools run by government has to incur the least expenditure. It is interesting to note that it is irrespective of the discipline. However, students have to pay maximum in private-unaided schools for all streams of education except for science. Thus, it is encouraging for students to enroll in government institutions/ schools run by government bodies. High costs required for attaining education is one of the biggest reasons deterring education. Thus, the initiative by government may not help achieve the goal of 100% literacy but it may aid in reducing drop outs and discontinuation rates.

CONCLUSION

There is shortage of fund and resources in education sector of India. Government expenditure on education is around 3% of GDP which is quite less than the demand for it. The public expenditure on education is not adequate for educational development in India. The increasing trend of household expenditure exposes the inadequacy of the government in allocation of resources on education. It is required to take measures to improve the government expenditure on education. Important items of household education expenditure include course fee, private coaching, and purchase of stationary

in general and in urban sector addition is significant transportation cost. It is found that there is no remarkable distinction in household education expenditure between boys and girls both in rural and in urban areas. Notable difference is found in household expenditure on children going to different schools like government schools, government aided schools, and private schools specifically in urban areas. Despite numerous efforts by the Central and State governments to reduce the financial burden of, education large number of households are still paying a significant amount from their own pockets. Thus, government should give more Importance to encourage households' particularly rural households by providing incentives like general public subsidies and specific subsidies for the targeted groups to make education more accessible and affordable at all levels.

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