

**EDUCATION COMMISSION**  
**Task Force on Educational Administration**

**THE ROLE OF PRIVATE ENTERPRISE IN EDUCATION**

BY  
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GOVERNMENT OF INDIA  
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## THE ROLE OF PRIVATE ENTERPRISE IN EDUCATION

### I: A Statement of the Problem

Private enterprise played a very important role in the development of education in India in the pre-independence period. When the East India Company was unwilling to accept a direct responsibility for the education of the Indian people, the Christian missions came forward as pioneers and established the first modern schools and colleges. Later on, the Company did accept responsibility for education (1813); but the expansion of the direct governmental enterprise was so slow that, till 1854, the needs of educational expansion were largely met by missionary enterprise. The Despatch of 1854 sanctioned the establishment of the Education Departments and also announced a policy of liberal encouragement to private enterprise. Consequently, both the governmental and private schools expanded very largely during the next thirty years, especially because Indian enterprise now entered the field. After the Report of the Indian Education Commission of 1882, however, Government restricted its direct enterprise to the provision of elementary and professional, vocational or technical education (which could not easily be established by private enterprise) and to the maintenance of a few secondary schools and colleges as 'models' to private enterprise. The missions also gave up plans of expansion and decided to maintain a few institutions in as high a state of efficiency as possible. Consequently, all the rising demand for education was met mainly by private Indian enterprise, especially in the field of general secondary and collegiate education for boys and

British Indian Provinces. In the areas of the erstwhile

the education of girls at all levels. In the early years (1882-1901), Indian private enterprise received full encouragement from Government; but even when the official policies became restrictive and critical (1901-21), it continued to expand because of the development of a national sentiment, liberal support from the public, and the dedication of a large number of able persons who joined the teaching profession at great sacrifice to themselves. This growth was accelerated still further after the transfer of education to Indian control (1921) so that, by 1947, private Indian enterprise dominated almost all fields of education except elementary and professional, vocational or technical education in the erstwhile princely States, on the other hand, the situation was entirely different. The over-all spread of education was comparatively limited, except in a few enlightened States like Baroda, Cochin and Travancore; the major responsibility for providing educational facilities at all levels was generally assumed by the Government itself; and the development of private enterprise was not generally encouraged and, in some cases, even actively discouraged. In these areas, therefore, private enterprise occupied a comparatively minor role in the provision of educational facilities.

2. During the post-independence period, this picture has been changing rapidly, both in quantity and in quality. In the areas of the erstwhile British Indian Provinces, the State Governments have now taken up a bolder policy of expanding direct governmental enterprise in education wherever necessary, and especially in fields or places where

private enterprise was not forthcoming. Simultaneously they have also increased the quantum of grant-in-aid to private enterprise in order to enable it to meet the rising costs of living, to secure expansion, or to improve standards. In the areas of the erstwhile Princely States, the State Governments have continued the earlier policies of a large scale expansion of governmental enterprise while, at the same time, giving liberal encouragement to private enterprise as well. Consequently, the growth of private educational institutions of all types has increased several-fold in these areas as compared to the conditions prevailing prior to 1947. During the last 18 years, therefore, the quantum of private enterprise in the areas of the erstwhile British Provinces has decreased while that in the areas of the erstwhile Princely States has increased; and the overall picture for the country as a whole shows an expanding trend for governmental enterprise and a contracting trend for the private sector. This will be seen clearly from the following statistics:-

Extent of Private Enterprise in India: Institutions  
(1949-50 and 1960-61)

4-A

|   | 1949-50   |  |   | 1960-61   |   |      |
|---|---|--|---|---|---|------|
|   | Total No. of Educational Institutions enrolment therein | Total No. of private educational institutions enrolment therein. | Percentage of private educational institutions/enrolment therein to total | Total No. of Educational institutions/enrolment therein | Total No. of private educational institutions/enrolment therein |      |
| 1   | 2   | 3  | 4   | 5   | 6   | 7    |
| <u>L.No. of Institutions</u>                                  |   |  |   |   |   |      |
| Pre-Primary Schools   | 275   | 225  | 81.8  | 1,909   | 1,354   | 70.9 |
| Primary Schools   | 204,826   | 68,400   | 33.4  | 3,30,399  | 73,194  | 22.2 |
| Middle Schools  | 12,920  | 5,199  | 40.2  | 49,663  | 13,487  | 27.2 |
| High/Higher Secondary, including Post-Basic Schools.          | 6,682   | 4,952  | 74.1  | 17,257  | 11,952  | 69.3 |
| Professional, Vocational and Technical Schools.               | 2,028   | 1,230  | 60.7  | 4,145   | 2,377   | 57.3 |
| Colleges of General Education                                 | 467   | 327  | 70.1  | 1,039   | 825   | 79.4 |
| Colleges of Professional, Vocational and Technical Education. | 186   | 61   | 32.8  | 852   | 425   | 49.9 |
| Special Schools (excluding social education classes)          | 4,346   | 3,612  | 83.1  | 4,269   | 3,907   | 91.5 |
| Colleges of Special Education                                 | 66  | 43   | 65.2  | 208   | 156   | 75.0 |
| All Institutions for Boys                                     | 2,55,242  | 94,436   | 37.0  | 4,30,981  | 1,36,723  | 31.7 |
| All Institutions for Girls                                    | 24,067  | 7,242  | 30.1  | 41,674  | 20,130  | 48.3 |

Extent of Private Enterprise in India: Enrolments  
(1949-50 and 1960-61)

|   | 1949-50   |  |   | 1960-61   |   |   |
|---|---|--|---|---|---|---|
|   | Total No. of Educational Institutions/enrolment therein | Total No. of Private Educational Institutions/enrolment therein. | Percentage of private educational institutions/enrolment therein to total | Total No. of Educational Institutions/enrolment therein | Total No. of private educational institutions/enrolment therein | Percentage of private educational institutions/enrolment therein to total |
|   | 1   | 2  | 3   | 4   | 5   | 6   |
| <u>II. Enrolments</u>                                       |   |  |   |   |   |   |
| Pre-Primary Schools   | 19,055  | 15,186   | 84.1  | 1,21,184  | 96,216  | 79.4  |
| Primary Schools   | 1,74,18,544   | 47,68,319  | 27.3  | 2,66,48,348   | 61,19,318   | 23.0  |
| Middle Schools  | 19,39,223   | 8,95,649   | 35.9  | 1,06,10,878   | 25,22,880   | 23.7  |
| High/Higher Secondary, including Post-Basic Schools.        | 27,87,296   | 20,34,131  | 73.0  | 75,11,514   | 51,01,878   | 67.9  |
| Professional, Vocational and Technical Schools.             | 1,61,483  | 87,737   | 54.3  | 3,57,147  | 2,09,182  | 58.6  |
| Colleges of General Education.                              | 2,89,878  | 2,08,163   | 71.8  | 6,91,632  | 5,52,789  | 79.9  |
| Colleges of Professional, Vocational & Technical Education. | 46,520  | 16,797   | 36.1  | 1,94,291  | 91,695  | 47.2  |
| Special Schools (excluding social education classes)        | 1,44,738  | 1,09,364   | 75.6  | 1,94,945  | 1,65,012  | 84.6  |
| Colleges of Special Education.                              | 5,312   | 2,428  | 45.7  | 25,297  | 17,676  | 69.9  |
| All Institutions for Boys                                   | 2,18,13,732   | 76,88,064  | 35.2  | 4,34,65,752   | 1,42,95,708   | 32.9  |
| All Institutions for Girls                                  | 21,74,877   | 7,24,181   | 33.3  | 44,98,650   | 18,16,815   | 40.4  |
| <u>Grand Total</u>  |   |  |   |   |   |   |
| Institutions  | 2,79,309  | 1,01,678   | 36.4  | 4,72,655  | 1,56,353  | 33.2  |
| Enrolment   | 2,39,98,609   | 84,12,245  | 35.1  | 4,79,64,402   | 1,61,12,523   | 33.6  |



Source: The above statistics have been taken from Education in India, 1949-50 and 1960-61, published by the Ministry of Education, New Delhi.

3. It will be seen from the above statistics that the number of private educational institutions in India has, on the whole, increased from 101,678 in 1949-50 to 156,353 in 1960-61, although their proportion to total number of educational institutions has declined from 36.4 per cent to 33.2 per cent during the same period. It will also be seen that the increase in the number of institutions has taken place in every sector. There is, however, one difference between the private institutions for boys and those for girls. The former have increased only by about 50 per cent (their percentage to the total number of institutions has declined from 37.0 to 31.7) while those for the girls has increased by about 200 per cent (their percentage to the total number of educational institutions has increased from 30.1 to 48.3). The overall position with regard to enrolments is also similar. The total enrolment in private educational institutions was 8.41 million in 1949-50 and it was almost doubled and raised to 16.1 million in 1960-61, although its proportion to total enrolment declined, during the same period, from 35.1 per cent to 33.6 per cent.

4. Side by side, the qualitative picture of private enterprise has also changed considerably. The missionary institutions, which generally refused to expand, have been able to maintain their characteristic of high standards. Indian private enterprise, on the other hand, is tied up to the apron strings of quantity. While its primary objective still is to meet the growing hunger for education, the resources available to it in men and money are decreasing rapidly. It is now unable to attract an adequate number of talented and dedicated young persons to its service on the basis of self-sacrifice; the halo of a nationalist sentiment is no longer attached to it; it is also not able to raise adequate voluntary contributions from the people; and the small volume of total public donations that is available has to be shared by a far larger number of institutions than ever before. Consequently, Indian enterprise presents a mixed picture of a few very good institutions balanced, at the other end, by a large number of sub-standard institutions, many of which are run as commercial enterprises rather than as schools.

5. Unfortunately, the malady is not confined to the mere existence of sub-standard institutions. It has also important social and political implications. A number of voluntary organisations are dominated by caste considerations which affect the recruitment of teachers as well as the atmosphere of their educational institutions. Several of them are run by politicians who have increasingly come to realise the vote-catching value of conducting schools and colleges so that the use of teachers and students for political purposes is becoming increasingly important. The conditions of service of teachers working under several

organisations is far from satisfactory: they have no security of tenure and no pensionary benefits, sometimes not even a contributory provident fund; their remuneration is generally lower than that given to teachers of corresponding status under government or local bodies. In many cases, they do not even receive the amounts which are supposed to have been paid to them because the managements, who are unable to raise popular contributions, often try to produce the matching contributions required by them under the grant-in-aid rules by an illegal and unacknowledged cut in their salaries. It is because of these evils that a demand is now being made for the nationalisation of private educational institutions. Its most vocal support comes from the bulk of teachers working in them; but it is also supported in two other quarters. The parents support the demand because nationalisation of these institutions, in their opinion, would help in raising standards. The officers of the Education Department also favour the proposal, partly because they find too many malpractices in several of these institutions, and partly because they feel that the nationalisation of these institutions, which now mostly maintain themselves on fees and government grants, will not involve any additional financial burden.

6. It is thus obvious that private educational enterprise now stands at crossroads. The principle cause which led to its birth and development between 1854 and 1947, viz., the unwillingness of the State to assume direct responsibility for the education of the people, is no longer valid. Similarly, its earlier basic strengths, viz., the capacity to attract talented and devoted

persons or to collect voluntary contributions from the public by appealing to nationalistic sentiments, have also disappeared very largely. It is, therefore, necessary to review the entire position and to determine the role of private enterprise in the national system of education which will be evolved over the next three Plans. In particular, it is necessary to consider the following important issues:-

- (a) The objectives and types of private educational enterprise;
- (b) Its relationship to the educational enterprise of the State or local bodies on the problem of nationalization;
- (c) The general principles on which the system of grant-in-aid to it should be based;
- (d) The control which the State should exercise over it; and
- (e) The improvement in the service conditions of the teachers and other employees working under it.

## II. The Objective and Types of Private Educational Enterprise:

7. Prior to 1947, private educational enterprise had a number of objectives which were served by different types of educational institutions. Some of these are valid even today. But owing to social and political changes, others have to be modified and some have even become obsolete. These would be briefly discussed in the paragraphs that follow.

8. Private Educational Institutions Established mainly to Provide Religious Instruction: On account of its policy of religious neutrality, the British Government refused to provide religious instruction in the educational institutions conducted by the State. Consequently, a strong motivation for private educational

enterprise in India, as in other democratic countries which have adopted a secular system of education, has been the desire to provide religious instruction as an integral part of the curriculum. In the earlier years, such instruction used to be compulsory; but later on, as these schools began to receive recognition or aid from State funds, they had to accept the 'conscience clause' and make it voluntary. Even after independence, the basic position in this regard continues to be unchanged. Under Article 28(1) of the Constitution, no religious instruction can be provided in educational institutions wholly maintained out of State funds; but under Article 28(3), it can be provided in private educational institutions on a voluntary basis. Private educational institutions started mainly with the object of providing a type of religious instruction which the managements consider essential will, therefore, always continue to exist; and in matters of recognition or aid, the State will not be able to discriminate against them on the ground that they provide religious instruction.

9. The Private Educational Institutions Intended

Mainly to Provide Education of a High Standard to the well-to-do Classes: Private educational enterprise finds a strong support in the desire of the well-to-do or education-conscious parents to provide good education to their children, especially because the standard of the schools conducted by the State or local authorities leave much to be desired. Quite a number of private educational institutions are thus established with the primary object of providing quality education to their clientele. They charge high fees to maintain themselves

although some of them receive a small direct or an indirect aid from State funds. The comparatively larger resources which they can command and their financial independence enables them to secure a better type of teachers and to be experimental and creative in their programmes. Such institutions include the Public Schools, the English-medium Schools which prepare for the Indian School Certificate Examination, and a number of other schools with special features such as the maintenance of high standards, the use of English as a medium of instruction, or the teaching of English from class I or even from the pre-primary stage. The increasing popularity of these institutions shows that the number of parents who value good education rather than free education and who are prepared to pay for it is continually increasing.

10. What is to be the role of such institutions which essentially cater to the well-to-do sections of the society in the national system of education? There are three views on this problem. The first holds that these institutions should be regarded as integral parts of a national system of education and recognised and aided by the State, at least to the extent of expenditure which the State would have incurred on the children enrolled in them, if they had chosen to attend the government schools. The second view holds that while such institutions may be allowed to exist as part of a national system of education on the ground that it is the fundamental right of the citizens to establish and conduct such schools, they should not be aided from public funds which are meagre and which must first be applied to educate the weaker sections of the community.

The third view is totally opposed to the establishment of these schools and demands their abolition on the ground that they tend to perpetuate class distinctions and are antagonistic to the socialistic pattern of society which is a national goal.

11. Of these views, the third is justified in its objection to this type of private educational enterprise; and the objection is particularly valid at the elementary stage of education (age-group 6-14) where it is desirable, on grounds of national integration as well as of creating a socialistic society, to require all children to attend a common system of schools maintained by the State. It is also true that their existence makes the well-to-do classes indifferent to the improvement of the common system of education which caters to the needs of the average child, because the needs of their children are met by these exclusive institutions. In spite of all these objections, however, it is not legally possible to proscribe such private enterprise, for instance, clauses (c) and (g) of Article 19 provide that all citizens shall have the right 'to form associations' and 'to practise any profession, or to carry on any occupation, trade or business' subject to 'reasonable restrictions in the interests of the sovereignty and integrity of India or public order or morality' and further subject to the authority of the State to prescribe 'professional or technical qualifications necessary for practising any profession or carrying on any occupation, trade or business'. These fundamental rights obviously cover the right of individuals and groups to establish and conduct educational institutions of their choice. Under these circumstances, there is no option but to permit their existence; and the only measures which the State can adopt

to counterbalance their effect and to provide equality of educational opportunities between the wealthier and poorer sections of the society are two: (1) to raise the standards in the State and local authority schools to a level where they become fairly comparable to those in such institutions; and (2) to establish an adequate number of similar quality institutions in the public sector to which the talented children from the poorer classes would be admitted on merit, either as free students or on payment of such fees as their parents can be reasonably expected to pay.

12. If it is not possible to accede to the demand that these schools should be abolished, it is not in public interest to accept the contention that they should be aided by the Government. The Constitution obligates the State to provide free education for all children till they complete the age of 14 years. It also permits private educational enterprise to exist and entitles the parent to send his children to the school of his choice. But it does not compel the State to aid any private institution, so that all grants-in-aid are paid at the discretion of Government and not as a matter of right vested in private enterprise. Every parent is, therefore, welcome to send his children to the common schools maintained by the State or local authorities. But if he does not avail himself of this facility and chooses to send his children to such privileged institutions, he is free to do so. But he thereby absolves the State from the responsibility of educating his children. Moreover, the first charge on public funds is the education of the masses who cannot educate themselves by their own



unaided efforts. Until this responsibility is discharged adequately, it would be unfair to allocate public funds for the privileged education of the richer or better placed sections of the society. The only feasible policy that can be adopted in respect of these schools, therefore, would be to refuse to give them any direct financial assistance. They should, however, be regarded as a part of the national system of education because they do fulfil some useful purpose and relieve the public exchequer of the responsibility of educating some children of the 'haves'.

13. A point has been made that the State should give an indirect aid to these schools by sending scholarship-holders, selected on the basis of merit, to study in them. For several years past, the Government of India, for instance, is operating a scheme of merit scholarships under which a few students are annually sent to study in the Public Schools. The desirability of this step is, however, open to question. If the principle that these schools of an exclusive type tend to perpetuate class distinctions is admitted, a State committed to egalitarianism and socialism cannot associate itself with them. Steps would, therefore, have to be taken to withhold even such indirect assistance from these institutions: If it is felt necessary to provide such education to some talented students from the underprivileged classes as well, the State should establish as suggested earlier, some institutions of the type of the Netarhat Public School in Bihar or the Sainik Schools which admit their students purely on the basis of merit.\*

\*This proposal is not above controversy and there is a group of thinkers who believe that the education of the talented children should be attempted, not through separate institutions, but through an enriched programme in the ordinary institutions themselves.

14. Private Educational Enterprise as a Privilege of Religious and Linguistic Minorities: Safeguarding the interests of religious and linguistic minorities is a great responsibility of a democratic government in a multi-religious and multi-lingual situation of the type that exists in India. The Constitution has, therefore, conferred upon them the right to conduct private schools of their choice. For instance, Article 29(1) of the Constitution guarantees that any section of the citizens ... .. having a distinct language, script or culture of 'its own', shall have the right to conserve the same. This can naturally be done through private enterprise. A more specific provision is contained in Article 30 which lays down that 'all minorities, whether based on religion or language, shall have the right to establish and administer educational institutions of their choice' and that these shall not be discriminated against in matters relating to grant-in-aid on the ground that they belong to a religious or linguistic minority. All private educational enterprise of the linguistic minorities has thus a constitutional right to exist and it can also claim assistance, without any discrimination, from State funds.

15. Private Educational Enterprise in Underdeveloped Sectors: Owing to limitation of resources, it is not possible for the State to develop all sectors of education; and in such a situation, private enterprise can play a very useful role in doing pioneer work in those sectors which have not yet been taken up by the State. Pre-primary education is a good illustration of this point. The State

is at present pre-occupied with the provision of compulsory elementary education and, for several years to come, it will not have the resources to attend to it. For the next three Plans, therefore, private enterprise can take a legitimate lead in the development of pre-primary education and where it caters to the needs of the under-privileged classes, it can also have a claim for grant-in-aid. This type of private educational enterprise obviously supplements the efforts of the State and is extremely beneficial in hastening the creation of an adequate system of national education.

16. Private Educational Enterprise Meant for the Children of the Common Man: The four categories of educational enterprise discussed in the preceding paragraphs, even when taken together, form only a very small proportion of the total educational enterprise existing in the country at present. The vast bulk of this enterprise is made up of a fifth category whose objective is to cater to the needs of the average citizen and thus share with the State its responsibility to provide a national system of education. It is this category of private enterprise which was the first to come into existence and it dominates the entire field of secondary and higher education at present. Partly because of this magnitude and partly because of the strategic position it occupies, the problems of this category of private enterprise need the most careful attention in the immediate future.

17. A closer examination of the objectives, organisation and modus operandi of this category of private enterprise shows that it can be further sub-divided into two

sub-categories. The main objective of the first sub-category is to improve standards and to preserve certain basic values in education and life. It tries to secure this objective through the recruitment of competent and dedicated teachers who form a self-perpetuating body of their own and who remain virtually in charge of the management of its institutions. A good example of this is the missionary institutions which, for upwards of a century, have concentrated their efforts on creating and maintaining a body of excellent teachers and maintaining a few educational institutions in as high a stage of efficiency as possible. The early Indian private enterprise was also similar in character, the only difference being that, while the missions drew their strength and inspiration from religion, this Indian enterprise drew its support from an intense feeling of patriotism. Its main objective was to provide good education, even better in quality than that provided in the government schools, to the children of the average citizen at a cost which he could afford; and they could do this difficult job by inducing talented and dedicated persons to 'scorn delights and to live laborious days' in the service of the motherland. This tradition is fortunately still alive, although its form is being modified to some extent. Even today, there are a number of good private educational institutions in the country which continue to attract talented and dedicated teachers, partly through sentiments of patriotism and social service and partly through the freedom to experiment which they can provide. It is becoming more and more difficult now to persuade people to work on meagre salaries as the early pioneers did; but there is still a body of teachers that values

academic freedom more than money and who are, therefore, prepared to work in such institutions provided their basic physical needs can be met. It is these institutions and the teachers working in them that provide a large part of the independent and creative thinking in education that is available in the country at present. Unfortunately, no adequate machinery has yet been evolved to identify and separate this small amount of grain from the vast amount of chaff that private educational enterprise has now come to contain; and if the present non-discriminatory policies of the control and aid which treat all private educational institutions alike are continued, for some length of time, there is a danger that this valuable seed will wither away and the country's educational future would suffer an irreparable loss.

18. The second sub-category of this private educational enterprise, which also forms its bulk, is entirely different in character. Its objective is not so much to maintain standards as to achieve expansion at any cost and by any dilution of standards. Its motivation is neither religion nor patriotism, but profit and power. Its management is in the hands of proprietors, politicians and other non-academic persons who control all its patronage and funds. Its teachers are not an academic, independent and self-perpetuating community, but a body of underpaid, ill-qualified and harassed employees. Its essential concern is not to run educational institutions as social service organisations intended for the proper training of the rising generation, but as commercial enterprises meant for concealed financial profits or for purposes of the patronage and political power which

educational institutions have now come to possess. As stated earlier, this type of private enterprise has often come to be dominated by casteist groups which vitiate the atmosphere, not only among the staff, but also among the students. It is obvious that many of our present educational problems arise through the activities and expansion of this unhealthy private educational enterprise which dominates the sector of general secondary and collegiate education; and one of the major problems of educational administration in the immediate future relates to its control and improvement.

### III. The Problem of Nationalisation

19. As stated earlier, the demand for the nationalisation of private educational enterprise is being made in several quarters - by a section of the public, by the Education Departments and especially by teachers working in private schools. It would, however, have become apparent from the discussion in the preceding section that, under the existing provisions of the Constitution, it is not possible to proscribe all private enterprise in education. Under Article 30(1), the religious and linguistic minorities have a specific right to establish and administer educational institutions of their choice; Articles 25(1) and 28(3) imply that the citizens shall have the freedom to establish private educational institutions which provide religious instruction; and clauses (c) and (g) of Article 19 grant the freedom to all citizens to conduct private educational institutions with a view to providing such education as they would like to have. Private educational enterprise has thus a

All things considered, the best policy to be adopted in the near future would be to give an integrated and vital role to private enterprise in the national system of education and to devise methods which would develop its potential to full and reduce its weaknesses to the minimum.

21. One more point needs attention in this context - when nationalisation is recommended as a panacea for all the evils of private enterprise, it is tacitly assumed that Government schools are better than private ones and that nationalisation will effectively prevent the establishment of substandard institutions. Experience has, however, shown that this is not necessarily so. In Punjab, a large number of schools were suddenly nationalised, but due to a lack of resources, it has not yet been possible for the Government to raise the standard of these institutions and there is no knowing when this would be done. In several other States where State enterprise plays a leading role, the establishment of new institutions is so often dictated by political and other non-educational considerations that many new sub-standard institutions are continually coming up and the upgrading of existing sub-standard schools never gets the priority and resources it needs. In fact, the only group which benefits without fail in a programme of nationalisation is that of the teachers who are lucky enough to be absorbed in government service. In all other respects, the clock is often put back under nationalisation. For instance, the fee-income goes down; the public expenditure on education rises, the local community loses its interest; and as the teachers also often become less zealous, even the studies are adversely

affected. This has been said, not to make out a case for the continuance of poor private enterprise, but to highlight the fallacy of the common but naive assumption that mere nationalisation would necessarily guarantee an improvement of standards.

#### IV. GRANT-IN-AID

22. If private educational enterprise is to form an integral and vital part of the system of national education, it will be necessary to decide a number of administrative and financial issues. One of the most important of these is to devise an adequate system of grant-in-aid.

#### 23. System of Grant-in-Aid prior to 1947.

The grant-in-aid systems which existed in India prior to 1947 were based on certain assumptions which followed as a corollary from the governmental policies then in vogue. These may be briefly stated as follows:

(i) There was hardly any provision for grants-in-aid to private educational institutions for non-recurring expenditure on buildings and equipment. The general assumption was that all this expenditure should be raised through popular contributions.

(ii) With regard to recurring expenditure, the general assumption was that the cost per pupil, in a government institution, which was regarded as a model to private enterprise, would be higher than that in a private institution of a similar type. The rules were, therefore, so framed that it was not generally possible for private schools to maintain a higher standard of expenditure than that in government institutions. For instance, no private school could pay salaries at rates higher than those prescribed in government institutions and it could certainly pay them less; the pattern of staffing, pupil-teacher ratio, the scale of contingent expenditure etc., were such as to make education in a private institution cheaper than that in a government institution of the same type.



(iii) A number of systems of grant-in-aid were devised and were in vogue e.g. capitation grants, proportional grants, deficit grants, block grants and salary grants. But in all these systems, the general assumption was that the total amount of grant-in-aid would cover only a portion of the total expenditure and that every private educational institution should raise a fair proportion of its recurring expenditure also through voluntary contributions from the people. In fact, it was the capacity of private institutions to raise a fair part of their recurring expenditure which was assumed to constitute the main, if not the sole, justification for their existence.

(iv) The systems of grant-in-aid devised were generally complicated and contained an element of arbitrariness and discretion which vested a large authority in the officers of the Education Department who sanctioned grants. This tended to make private enterprise subservient to official authority.

(v) The grants-in-aid were generally given on a year to year basis. The provision for such aid was made in the budget on an ad hoc basis and was generally the first casualty when any need for economies or increased expenditure in other sectors came up. It was, therefore, not possible for private schools to anticipate the quantum of aid they would get during the next or the following years and no long-term planning for the development of a private school or college was possible.

24. The New Situation: In spite of these harsh features of the grants-in-aid system, it was possible for private educational enterprise to establish and conduct many good educational institutions because of two factors: (i) they could attract competent and dedicated persons to the teaching profession; and (ii) they could also raise large financial resources from the public through voluntary donations and contributions. In the

post-independence period, however, the situation has materially changed. There are such large openings for talented persons in university, governmental and industrial sectors that private educational enterprise is not able to attract as good a proportion of them as it used to do in the past, especially because of its limited capacity to pay a decent remuneration. The spirit of self-sacrifice and service which used to motivate young persons for a career in private educational institutions has also greatly declined. The willingness of the well-to-do sections of the society to contribute voluntarily to educational development has diminished very markedly and their general attitude now is that the State must take over the entire support of all educational institutions. Under these changed circumstances, private educational institutions can function only if a new system of grants-in-aid suited to the present situation, is designed. Unfortunately, this has not been done so far and the grants-in-aid systems of today continue to be basically similar to those devised by the British Government. It is true that they offer a more liberal quantum of grant-in-aid per pupil than in the past, but that is hardly enough to meet the challenge of the situation. What is needed is a radical transformation based on new principles that would be appropriate, not only to the situation as it exists today, but what is likely to develop over the next three Plans.

25. Fundamental Principles of the New System of Grant-in-Aid:

From this point of view, the following principles are suggested for a reorganisation of the entire grant-in-aid system to private educational enterprise:

- (1) Private charity has not yet fully dried up; and it is still possible to raise funds through popular

contributions for a good educational cause. But such contributions are willingly and more liberally paid for non-recurring than for recurring expenditure. For instance, a village may contribute Rs.10,000 for the establishment of a high school or Rs.50,000 for the establishment of a college; but it will not be willing to undertake the responsibility of contributing even a sum of Rs.100 a year for its maintenance. A rich man may contribute a very handsome donation for the establishment of an engineering or medical college, or even of a university; but he will not undertake to provide a recurring contribution. The new system of grants-in-aid would, therefore, have to be devised on the assumption that, in future, public donations will be forthcoming mainly for non-recurring expenditure. It may also be pointed out that it would no longer be possible to assume that the entire non-recurring expenditure would be met by public donations, partly because a far larger investment is now required to set up a good educational institution than ever in the past, and partly because the total quantum of popular contributions now available is becoming increasingly limited. It is because of the failure to recognise this change in the situation and to amend the grants-in-aid system accordingly that a large number of the new institutions which are coming up in the private sector remain ill-equipped and deficient in essential physical facilities.

(2) With regard to the recurring expenditure, it would be desirable to divide the total expenditure of educational institutions into two parts: (i) Teacher costs which would include salaries, allowances and old-age benefits payable to the teaching staff; and (ii) Non-teacher costs which would include all other expenditure, including that on non-teaching staff and contingencies. Of these two, the teacher costs are obviously more important and account for 50 and 70 per cent of the total recurring expenditure, depending upon the type of the institution and the scale of facilities provided. Under

the old system of grants-in-aid, the total recurring expenditure of an educational institution was generally taken as one unit and aided accordingly, with the result that the remuneration of teachers always became a casualty. In the new system of grants-in-aid, therefore, it should be an invariable rule to separate the teacher costs from the non-teacher costs and to aid them separately.

(3) With regard to the remuneration of teachers, certain fundamental provisions will have to be made in the grant-in-aid rules. For instance, the staffing pattern of a educational institution should be the same in government, university, local authority or private institutions. The scales of pay and allowances prescribed for the different categories of teachers should also be identical. The provision for old-age benefits should preferably be identical; but if it is not administratively feasible to do so, care should be taken to see that a minimum adequate provision of old-age benefits is available to all teachers in private schools. These objectives can only be secured if the system of grants-in-aid is so devised that (i) a separate grant-in-aid is paid for teacher costs, and (ii) if the entire expenditure on total costs is covered by the two definite sources of income which all private educational institutions have, viz., government grant and a portion of the fees, and is not made to depend, to any extent, on the uncertain and vanishing sector of popular contributions. It is only under such a system that private managements will not have any incentive to economise on teacher costs by such undesirable means as a reduction of pay and allowances,

employment of persons with lower qualifications, adopting larger pupil-teacher ratios or keeping posts vacant over long periods.

(4) Fees form the largest, the most dependable and the most elastic source of raising funds for recurring expenditure which the private educational institutions have at present; and not infrequently, it may even be the only source. The principal way in which private enterprise can maintain standards and make a substantial contribution to educational expenditure is through fees and it is on the quantum of fee income that the independence as well as the academic freedom of private educational institutions will ultimately depend. In the new grant-in-aid system, therefore, the basic policy should be to encourage private schools to raise larger revenues through fees. It is not difficult for private managements, especially if they maintain good standards in education, to raise fees because parents have now become quality-conscious and are prepared to pay for good education. In the new system of grants-in-aid, therefore, the existing restrictions which limit the freedom of private schools to charge fees should be done away with as far as possible; and every private management should have the liberty to charge fees within the broad limits prescribed by the Education Department. It will be possible to ensure that this freedom is not misused to exploit parents by requiring the institutions to obtain the approval of the Education Department in all proposals for increasing fees and by auditing their accounts. Where a school happens to be the only school in the locality, such increases may cause hardships to some students; but these could be easily taken care of by providing scholarships or reimbursement of fees in deserving cases.

(5) The quantum of expenditure on non-teacher costs is not large, but it usually consists of a number of miscellaneous items.

The existing system of grants-in-aid tries to regulate this expenditure through a large volume of rules which prescribe what an 'approved expenditure' on each of these items should be. It is these rules that make the system of grants-in-aid extremely complicated and their interpretation leads to endless controversy, correspondence and bitterness. All these problems should be eliminated in the new system of grants-in-aid; and this can be easily done by adopting two principles. Under the first, full freedom may be given to private educational institutions to incur any expenditure they like on non-teacher costs; and under the second, a separate grant-in-aid should be provided for all non-teacher costs and its quantum should be equal to a fixed proportion of the expenditure on teacher costs, or the actual expenditure incurred, whichever is less. It will, of course, not be difficult to prescribe this percentage from time to time on the basis of research into the problem. It is obvious that such a system should eliminate most of the complications of the existing system and make it very simple to operate.

(6) Under most of the existing systems of grants-in-aid, all private educational institutions are treated alike and are aided on exactly the same basis. In the interest of efficiency, the new system of grants-in-aid will have to adopt a new approach, based upon specific criteria for distinguishing the good institutions from the bad ones and adopt different patterns of grants-in-aid for them. It is true that the problem is difficult and complicated; but nothing is gained by running away from it, as has been done in the past. It would be far better to face it squarely in the future.

26. Grant-in-aid for Elementary Schools: In the light of these broad principles, it is possible to suggest a broad basis for evolving systems of grants-in-aid to educational institutions of different types. The discussion may begin with elementary schools which may be defined as those which impart education in classes I-VII or I-VIII as the case may be (or for children in the age group 6-14). Since it is a responsibility of the State to provide free and compulsory elementary education, and since it is desirable that all children should attend a common system of schools during this period, the general policy should be to discourage private enterprise at this stage. Under the existing Constitutional provisions, private elementary schools can be organised to meet the desire of those parents who do not want to send their children to the common schools. While this decision may be respected as a transitional phase and private elementary schools may be allowed to exist, there is no reason why they should also be assisted from State funds. In the new system of grants-in-aid, therefore, there should be no provision for grants-in-aid at the elementary stage. The private elementary schools will, in future, have to maintain themselves exclusively on fees and/or voluntary contributions.

27. Grant-in-Aid to Secondary Schools: At the secondary stage, however, the problem is entirely different. The responsibilities of the State for providing educational institutions at this stage are comparatively limited and a very large proportion of the existing institutions is already in the private sector. It would, therefore, be necessary to devise an adequate system of grant-in-aid for secondary schools and the following outline

of a new system may be considered from this point of view:-

(a) The standard rates of fees to be charged in secondary schools should be prescribed by rules; but the management should have the right to increase them, subject to the prior approval of the Education Department, and subject further to an upper limit of twice the amount of the standard rates.

(b) The rules should also prescribe the staffing pattern and the remuneration and the service conditions of teachers. As stated earlier, these should be identical to those of teachers in government schools.

(c) The grant-in-aid for recurring expenditure should be equal to the total of teacher-costs minus fifty per cent of the amount collected at standard rates of fees, the remaining amount being left to the management for non-teacher costs.

(d) For non-recurring expenditure, the grants-in-aid should be payable at fifty per cent of the expenditure for buildings and equipment at prescribed rates.

28. It will be seen that, in the above pattern, there should be only one type of grant-in-aid to secondary schools, viz., a salary grant which would be equal to the total of teacher costs minus fifty per cent of the fee income at standard rates and not at the actual rates of fees levied in the schools. Such a system would be very simple to operate and would also ensure that the private schools would be able to command and provide at least as good teachers as are available in government schools. Such a system would automatically take care of all increases that would be made in the salaries and allowances of teachers from time to time.



It would also remove every incentive from the managements to economise on teacher costs. It is, therefore, only under such a situation that the general standard of secondary education could be raised, especially because, in most States, private secondary schools constitute the vast bulk of facilities available at the secondary stage.

29. Special Grants and Panel Cuts: What has been described above is the normal grant to secondary schools, which would ordinarily be given to them under the usual circumstances. In a good system of grant-in-aid, however, it is necessary to add two riders to this grant. The first should provide for a special additional grant to be awarded to schools for exceptional good work. It should not be difficult to lay down the programmes which could earn such special grants, viz. provision of special educational facilities for the gifted or the retarded children, special programmes conducted in the vacations, special services provided to teachers and students, good relations with the local community, very high percentage of passes in public examinations, distinctive achievements in sports and other extra-curricular activities etc. On the basis of the performance of an institution in such matters, an encouragement grant may be awarded to it according to certain well-defined principles. The second rider would provide for penal cuts in respect of those schools whose performance falls markedly below the prescribed standards. For purposes of these cuts also, an attempt should be made to prescribe minimum levels of achievement to which schools should come up in the ordinary course; and on the basis of the annual evaluation of their performance in these matters, a graded panel cut should be imposed, wherever necessary, on the grants-in-aid

A triple system of this type where

a school is assured of a certain basic grant-in-aid payable in the ordinary course combined with an encouragement grant for excellent performance on one hand and a penal cut for poor performance on the other will probably create the necessary incentives for schools to strive to improve their standards continuously.

30. Classification of schools: A system of grant-in-aid as outlined above will ultimately assist in evolving a five-point scale to classify all schools. For instance, schools will just continue to earn the normal grant (with some small variations on either side) may be classified as 'C'. The schools which often show good results and earn encouragement grants may be classified as 'B'; and those who maintain a high level record of this type over a number of years may be classified as 'A'. On the other hand, the schools which get penal cuts a little too frequently may be classified as 'D'; and those that show continuous poor results and get penal cuts for three or more years, may be classified as 'E'. When a school reaches 'D' level, it should be given one warning. If it does not still improve and reaches lower down to 'E', its recognition may be withdrawn. It will thus be seen that the system of grant-in-aid described above will enable the State to create a healthy competition between schools to improve standards continually and also to take drastic action against those that deteriorate beyond certain limits.

31. Experimental or Progressive Schools: It is necessary to encourage a few selected progressive schools which have shown a high level of achievement and creativity over a number of years and to give them a more liberal grant-in-aid, a higher status, and a larger academic freedom which would include such matters as adopting new

curricula framed by them etc. There should be an all-India machinery, preferably in the DEPSE at the NCERT to prescribe the criteria for selecting such schools and actually to assist the State Government in selecting and developing them. A programme of financial help to such schools (which need not necessarily be in the private sector) should be drawn up and the cost thereof should be shared between the Centre and the State (or the State and the management) on a 50 : 50 basis. Even today, there are a number of good institutions, especially in the private sector, which could undoubtedly be described as 'progressive' or 'experimental'. But in the absence of such recognition and adequate financial aid, they are neither able to grow nor to make their impact felt on the general system. It is suggested, therefore, that the new grant-in-aid system should have a set of necessary regulations for identifying such progressive or experimental schools and for giving them the necessary special financial assistance.

32. Colleges of Arts and Science: This is another sector in which private enterprise plays a very leading role and a grant-in-aid for this group of institutions may also be devised on the same principles as are indicated above for secondary schools. For instance, the system of grant-in-aid may take the following form:

(a) The universities granting affiliation to these colleges should prescribe standard rates of fees to be charged, it being open to the management of any college to charge fees at a rate not exceeding twice the standard fees.

(b) The staffing pattern and the scales of pay should also be prescribed by the universities granting affiliation. These should be the same, or at least not less than those recommended by the University Grants Commission.

(c) The grant-in-aid for recurring expenditure should be limited to the actual expenditure on teacher costs minus 40 per cent of the fees at standard rates, the balance of the fee collection being left to the institutions for non-teacher costs.

(d) The expenditure for non-recurring expenditure may be given at 50 per cent for courses in humanities at the undergraduate stage and 75 per cent for all courses in sciences and for the post-graduate courses in humanities.

(e) The general suggestions made above for encouragement grants, penal cuts, classification, and special grants to experimental or progress institutions at the secondary stage could also be extended to colleges of Arts and Science, mutatis mutandis.

33. It is also possible to think of the alternative pattern of grant-in-aid for colleges of Art and Science. The main object of this proposal is to introduce the principle of selective admissions through financial devices and its broad outline may be stated as follows:

(a) There would be no grant-in-aid as such to colleges of Arts and Science and each college will charge fees at such rates as will enable it to maintain itself fully. This often happens at present also because several colleges receive no grant-in-aid. But in such cases, the teachers remain under-paid and the facilities provided are very poor. In the new system, the rates of fees will be kept so high that the management would be able to pay teachers well and also provide adequate facilities. Very probably, this will imply an increase of 200-500 per cent in fees.

(b) The State will determine the type of students whose education it should assist financially. For instance, it may be decided that only students who have obtained more

than 45 p.c. of the marks and the income of whose parents is less than a prescribed amount would receive aid. These students would be free to join any college of their choice and the State would re-imburse the fees in full and this would constitute an indirect aid to the college. Under this plan, therefore, the amount of aid which a college receives would be in proportion to the number of State-aided scholars it receives. If there is no such scholar, there would be no aid. On the other hand, if its enrolment consists of such students only, it will be fully supported.

34. It is claimed that, under such a system, the indiscriminate expansion of collegiate education would be controlled to some extent. No deserving student would be held back because his fees would be fully reimbursed by the State. On the other hand, no public funds would be expended on undeserving or rich student who would have to educate himself entirely at his own cost, if he so desires.

35. Undeveloped Sectors: There are certain sectors which have not yet been taken up by State enterprise in education, owing mainly to lack of financial resources. Among these, mention may be made of pre-primary education or of the education of the handicapped children. It is in such sectors that private enterprise can play the role of pioneers. It is, therefore, suggested that special systems of grant-in-aid should be devised for such undeveloped sectors. It is not necessary to discuss them here in detail because the amounts involved are not large. However, in the light of the general principles discussed in this Section, it should not be difficult to devise a system of grant-in-aid that would suit the local conditions in each State.

36. Education of Special Groups: The education of special groups such as women or the backward classes will need considerable attention over the next three Plans. Private enterprise can play a very useful role in these sectors

which need the services of dedicated persons. It is, therefore, suggested that, while the grants-in-aid to private enterprise working in these sectors should be governed by the broad principles indicated above, its quantum should be more liberal and the conditions attached to it should be relaxed to the extent necessary.

36. Agricultural and Technical Education and

Teacher Training: Private enterprise in these sectors will be very limited. By and large, these programmes would be in the public sector; but where good private institutions are available, they should be given liberal assistance. This education will generally have to be provided free; and in addition, stipends will also have to be provided on a liberal scale. The grant-in-aid should, therefore, consist of three parts:-

(a) A salary grant equal to all the teacher-costs;

(b) A contingency grant equal to a certain proportion of the salary grant, it being open to the management to meet the deficit under this head by charging fees within prescribed limits;

(c) A stipend grant to cover the entire expenditure on stipends at prescribed rates; and

(d) A grant-in-aid for non-recurring expenditure at two-thirds of the estimated rates.

37. Continuity Steadiness and Prompt Payment: Before closing this discussion, it is essential to emphasize the need of maintaining steadiness and continuity of grant-in-aid in order to enable the private educational institutions to plan their development over a few years. This does not always happen at present. Very often, the State Government provides a lump sum for grant-in-aid in its budget on an ad hoc basis.

If need be, this amount is often reduced on account of pressures from other sectors. The provision which may finally be available, is then distributed between all eligible institutions on an ad hoc basis so that the rate of grant-in-aid as well as its quantum vary from year to year. Such undesirable practices prove to be very harmful. It should, therefore, be a rule that the claims for grant-in-aid of all private institutions, in accordance with the prescribed rules, should be met in full just as the State meets all charges on account of its own schools. Moreover, all grant-in-aid, particularly the recurring grants, should be paid every quarter (and not annually), the aid of well-established institutions being paid in advance at the beginning of each quarter.

V - CONTROL

38. General Approach: We shall now turn to the problems of control over private managements. The Indian Education Commission of 1882 pointed out that both the Government and private schools worked under complementary handicaps in relation to Finance and Freedom. The Government schools had full financial support, but no freedom because they were bound by innumerable official regulations. The private schools of the period, on the other hand, received hardly any financial support from Government; but had full freedom because the grant-in-aid codes of the day were brief documents intended to guide the schools rather than to control them. The ideal policy enunciated at that period was to combine the advantages of the two: to give more academic freedom to Government schools and to provide financial support to private institutions without restricting their freedom. A better policy cannot be enunciated because private schools would be able to give their best only when they are not harassed by financial worries and have also the necessary academic freedom to experiment and innovate. Unfortunately, things have not moved quite in this direction. It is true that, in the last eighty years, an increasing quantum of grant-in-aid is being made available to private schools all over the country. But there are immense variations in the quantum of grant-in-aid even today. From a liberal provision to cover almost the entire cost (as in Kerala, Madras or Maharashtra) at one end to a meagre pittance at the other (as in Bihar and Punjab). But in so far as control is concerned, there has been a continuous tightening of the rope till a situation has been reached under which the private schools have even less freedom than the Government ones. The first step in this direction were taken in the early years of the present century through a political motivation because Government found that the private secondary schools and colleges were becoming hotbeds of patriotism (then called sedition) and, therefore,



wanted to control them rigidly as possible. Later on, this political motivation disappeared but was replaced by another equally dangerous trend, viz. the authoritarian attitudes of the Education Departments who did not want even a leaf to fall within their empires except with their prior approval obtained in writing. Matters became worse when the unscrupulous manager entered the scheme and his tribe began to multiply. The Departments now became morally indignant and frames rules after rules on the assumption that every manager is a crook; but as often happens in such cases, these never obstructed the really unscrupulous Fellow (who even seems to thrive on them) while they do create infinite problems for the honest management. The present situation is that, everywhere, the grant-in-aid codes have become bulky documents that try to prescribe almost every thing that a private school should or should not do. There can be no educational justification for such controls. However, the situation at least becomes a little bearable when the quantum of aid is liberal as in Maharashtra. On the other hand, it becomes extremely galling when the aid is very small or negligible as in Bihar. What is needed is a re-orientation of policy under which their long lost academic freedom would be restored at least to the selected private schools, while providing them with an additional benefit, viz., a liberal grant-in-aid that frees <sup>them</sup> from day-to-day financial worries.\*

39. The control which the Education Department exercises over the private schools can be divided into three types: financial, administrative, and academic. Regarding financial control, there is no need for any relaxation. In fact, there is some justification for even tightening the ropes to ensure that the accounts of the institutions are properly kept and their funds are not misapplied or misappropriated.

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\*This would be secured if the policies of grant-in-aid recommended in the earlier section are adopted.

In so far as academic control is concerned, its main objective is to ensure that no injustice is done to teachers and it is this problem that would be mainly discussed in this section. In so far as academic control is concerned, the main objective of policy should be to encourage freedom. There is hardly any justification for the existing situation wherein the Education Departments try to decide such matters as time-tables, allocation of periods to be given to each subject, etc. Instead, the attempt should be to prescribe only a few general guide-lines and to encourage the schools to develop initiative and creativities.\* In fact, the motto should be: Very tight financial control; moderate administrative control aimed at safeguarding the interests of teachers; and the largest academic freedom possible.

40. Ban on Proprietary Institutions: In many grant-in-aid codes it has been laid down, as a condition of recognition or aid, that educational institutions should be conducted only by non-profit-making bodies such as public trusts or societies registered under the Charitable Societies Act. But in some areas, proprietary schools are still recognised and aided. This freedom should be curtailed and it should be an invariable rule that educational institutions must be conducted by non-profit-making bodies if they have to qualify themselves for recognition or aid. This would be a very salutary and fundamental reform in improving the administration of these institutions.

41. Private Institutions to be Ultimately Controlled by Teachers: The next step in administrative reform should be to lay it down as a matter of policy that educational institutions should preferably be conducted by bodies of competent and dedicated teachers who form a self-perpetuating organisation and in whom are vested the major financial and administrative powers over the institutions. These

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\*It is obvious that the same policy has to be extended to Government schools also.

conditions are satisfied in respect of most Christian Mission Schools and in such other organisations as Ramakrishna Mission, the D.A.V. and Khalsa institutions or organisations like the Deccan Education Society in Maharashtra or the Karnatak Liberal Education Society in Mysore. It is not possible to secure these ends by legislation. But a good deal would be gained over a period of years if this is kept as a positive goal before themselves, both by the Education Departments and the voluntary organisations, and a lead is given by distinguished teachers through their own example and life.

42. Constitution of Governing Bodies: The third step of administrative reform is to create a form of internal control, within the managements of the private educational institutions themselves, which would ensure that they would be administered on right lines. This is a valuable and important technique and, in practice, it often yields much better results than some forms of external controls. This objective can best be secured by requiring that every private educational institution which desires recognition or aid should have a special governing body constituted for it which should consist of -

- (a) representatives of the voluntary organisation in which the educational institution is vested, their number being roughly about two-thirds of the total strength of the body;
- (b) representatives of the University or Education Department or Board granting recognition, their number being approximately equal to one-sixth of the total strength of the body;
- (c) representatives of the teachers, their number being approximately one-sixth of the total strength of the body. Where the management of the institution is vested in a Board of Life-members which consists exclusively of teachers and is self-perpetuating, the last category should consist of representatives of those teachers who are not life members.

If such governing bodies are constituted for each private educational institution recognised and aided by the State, and if the nominations by the Education Departments are properly made, a great step would have been taken towards improving the administration of these institutions and for

ensuring that no injustice is done to teachers.

43. External Controls: In addition to the above, it may be necessary to introduce certain external forms of control as well. These would include the following:-

- (i) Every educational institution should be required to maintain a regular bank account from which the salaries of all teachers should be paid, from month to month, by cheques and not in cash.
- (ii) Since Government will give almost 100 per cent grant on the salaries of teachers and since the quality of the institution will depend mostly on the competence of its faculty, it is necessary that the management should be required to obtain the approval of the Education Department for every teacher appointed in its service. The minimum qualifications for these posts should be prescribed by the Education Department, it being left open to the management to prescribe higher qualifications, if they so desire. The minimum scale of pay and allowances attached to the post should also be prescribed by the Education Department, the management being free to give a higher remuneration or some advance increments under the rules. Every post to be filled should be adequately advertised and interviews should be held by a Selection Committee duly constituted by the governing body of the institution and having on it one to three experts nominated by the University or the Education Department concerned. A report on the applications received, the interviews held and the final selection made should be submitted to the Department for approval; and unless a teacher is appointed with such approval, no grant-in-aid should be paid on his salary. In the case of organisations like the Christian Missions or the Ramakrishna Mission where the teachers often belong

to a religious order, these conditions of appointment may be waived in respect of teachers belonging to the religious order, provided that they possess the minimum qualifications prescribed by the Department and the approval of the Department is taken for their appointment.

(iii) In one grant-in-aid code, a rule has been prescribed to the effect that 15 per cent of the posts in private educational institutions should be reserved for the backward classes. There should be no such insistence. The interests of the backward classes can be adequately looked after in the government institutions and by giving them a weightage, to the extent necessary in the public services. In private schools, the general policy should be to encourage the appointment of teachers purely on the basis of merit.

(iv) Government should formulate rules regarding service conditions of teachers which should be adopted by all managements, with certain approved changes, if necessary. Such rules should provide for all essential matters including the prescription of a suitable procedure for taking disciplinary action.

(v) There should be some remedy open to teachers, in the form of a right of appeal, in all cases where disciplinary action has been taken by management. There should also be adequate safeguards in cases of termination of services, and these should preferably take the form of an arbitration board consisting of one representative of the university/ Education Department, one representative of the teacher concerned and one representative of the management.

44. Development in Bihar: In this connection, the recent developments in Bihar deserve notice. In so far as the affiliated non-Government colleges are concerned, the Government of Bihar has set up a University Service Commission in 1962. All appointments, dismissals, removals,

etc have now to be made by the Governing Body of a non-Government affiliated college on the recommendations of the University Service Commission and with the approval of the University, excepting that, for short period appointments of less than six months, consultation with the Commission is not necessary. In the matter of dismissals, removal, termination of services or reduction in rank, the recommendation of the Commission is binding on the Governing Body. In other words, an independent machinery has been set up to ensure that the appointment of teachers in private affiliated colleges would normally be made on merit and that the teachers in these institutions would enjoy a large security of tenure. In the special conditions of Bihar, such a drastic step was probably unavoidable. In other areas, the more limited restrictions proposed above may serve the purpose; and if they fail, a machinery on the lines of the Bihar State university Service Commission may be considered.

45. In so far as non-Government secondary schools are concerned, the State Government has passed the Bihar High Schools (Control and Regulation of Administration) Act, 1960, which empowers the Government to establish a Board of Secondary Education. This Board has been authorised to inspect high schools, to grant recognition and aid to them and to constitute a managing committee for each recognised secondary school. These committees will consist of -

- (1) all life members, i.e., persons who have paid Rs 10,000 or more to the institution;
- (2) the headmaster;
- (3) a teachers' representative who is appointed, in rotation, strictly in order of seniority for a period of one year at a time;
- (4) an officer of the State Government nominated by the Board;
- (5) two representatives of Donors, i.e, persons who have paid Rs 5,000 or more;

- (6) two guardians; and
- (7) two persons in the locality interested in education coopted for the purpose.

If the managing committee is not functioning properly, the Board has the right to supersede or dissolve it. There is also a proposal under the consideration of the State Government to set up an organisation like the University Service Commission which would function at the secondary stage. This organization, it is proposed, would interview applicants for the posts of teachers and approved panels and that the managing committees will have to appoint their staff only from amongst the approved panels. No final decision in the matter has, however, been taken. Apart from the fact that these proposals are very drastic in character, the machinery created by the Bihar High Schools (Control and Regulation of Administration) Act, 1960 is also not functioning properly. It is felt, therefore, that, while such drastic steps may be justified in view of the special conditions in Bihar, it may not be quite applicable to the different parts of the country. It would, therefore, be better if one were to adopt the more moderate proposals discussed above for the control of secondary education recommended above.

46. Relationship between Grant-in-Aid and Control:

Before this discussion is closed, one important point deserves notice. The problems of grant-in-aid and of control are inter-related. If adequate grants-in-aid are provided, the malpractices on the part of private

managements become less and, if a reasonably vigilant inspectorate is also added functioning, the system works smoothly. On the other hand, if the system of grant-in-aid is defective, the proportion of malpractices in private educational institutions increases very considerably because, due to lack of adequate resources, the private managements are compelled to adopt such devices. The Department then tries to control such malpractices through administrative actions of the type indicated above. But such artificial measures do not succeed so long as the basic weakness, namely, inadequate finance, is not cured. Consequently, a demand for nationalisation is put forward but as shown earlier, this also involves several difficult problems. All things considered, it would appear that the best policy would be to liberalise grants-in-aid on the lines indicated above and, simultaneously, to adopt stricter measures of control with regard to formation of governing bodies or managing committees, appointment and service conditions of teachers, utilisation of funds and the maintenance of proper accounts. A two-pronged attack of this type will secure much better results than a mere attempt at control without financial assistance for liberalisation of grant-in-aid unaccompanied by stricter methods of administrative and financial controls.



VI- GENERAL

47. Relationship between State and Private Enterprise: So far, the primary objective of private enterprise has been to secure expansion. Under a welfare State and in a national system of education this becomes a responsibility of the State and private enterprise will have to orientate itself to newer and more worthwhile objectives. A change is needed on other grounds as well because it is out of this old objective, which has now become largely obsolete that many of the evils of the existing system of private enterprise arise. As a basis for discussion, it is suggested that the fundamental objectives of private enterprise in future should be: (a) to maintain quality institutions; (b) to try out new ideas and experiments; and (c) to supplement State enterprise in developing special sectors. For convenience of reference, the role of private enterprise at the different stages of education may be stated as follows :

(1) At the pre-Primary stage of education, it will not be possible for the State to undertake direct responsibility for providing all the pre-primary education that is needed. The State would, therefore, promote research in pre-primary education, train teachers for pre-primary schools and maintain a few model centres for pre-primary education. The bulk of the pre-primary institutions would have to be in the private sector and would largely continue to be unaided. At best, the financial assistance of the State should be available to those pre-primary schools which enrol the children from the under-privileged sections of society in urban and rural areas.

(2) At the elementary stage of education, it is the responsibility of the State to provide all the facilities required and these would also have to be created as early

as practicable. Private enterprise may be permitted to exist and may, by and large, cater to the needs of the well-to-do sections in urban areas. It should, however, receive no aid and maintain itself mostly on fees.

(3) At the secondary stage, the problem is a little different. Here, a new policy will have to be adopted on the following lines:-

(a) Facilities should be available for every boy or girl who is qualified to proceed to secondary education and who desires to do so. This will imply a certain amount of expansion which will have to be secured by the public and private sector working together.

(b) Government should maintain a good secondary school in each Community Development Block. In the alternative, it should provide special assistance to a selected private secondary school in each Block to bring it up to the required standard. All further expansion of secondary education in the Block may preferably be left to private educational enterprise. In exceptional circumstances where, on account of poverty or other reasons, an adequate private enterprise is not coming forth, Government may start more than one school in each Community Development Block. Such cases, however, should be rare.

(c) The grant-in-aid to existing private secondary schools should be revised on the lines recommended in this paper; and the existing schools should be given notice and a specified time to come up to the required standards. If they fail to do, they should cease to be recognised and aided.

(d) Care should always be taken to see that every Government institution does necessarily conform to the minimum standards prescribed for such institutions for purposes of recognition. In view of the liberalised grant-in-aid now offered, similar standards should also be insisted

upon in private schools.

(e) Where a voluntary organisation offers to hand over its institution to the State, it may be taken over and directly managed by Government. In all such cases, however, care should be taken to see that the necessary resources are available for bringing up the institution at least to the minimum standards prescribed.

(f) All professional, vocational and technical education at the secondary stage should be a responsibility of the State and be provided through its direct enterprise. If good private enterprise is coming forward in these sectors, it may also be recognised and aided. Such institutions, however, would be very few.

(4) At the collegiate stage, the problem changes its character still further. The developments in this sector may be attempted on the following lines :

(a) Facilities should be available for every boy or girl who qualifies for higher education (on the basis of such standard as may be prescribed from time to time) and desires to study further. As at the secondary stage, the provision of such facilities would be a joint responsibility of State and private enterprise.

(b) Government should maintain one good college in every district. In the alternative, it should give special assistance to a selected private college in each district to come up to the required standards. All further expansion of general education at the collegiate stage within the district should preferably be left to private enterprise. But if on account of poverty or other reasons, such enterprise is not coming forward adequately in any district, Government may assume a larger responsibility and provide more than one institution.

(c) The grant-in-aid to colleges of Arts and Science should be revised on the lines indicated in this paper and each college should be given notice and adequate assistance to come up to the prescribed minimum standards within a given time. If it does not do so, its affiliation or aid should be withdrawn.

(d) All professional, technical and vocational education at the college stage should preferably be a direct responsibility of the State. Needless to say that private enterprise, wherever available, should be encouraged and assisted.

(5) At the stage of post-graduate education and research, almost the entire responsibility would have to be assumed by the State, either directly or through the universities. Private enterprise can only play a very minor role in this sector; but wherever it has come forward, it should be encouraged and adequately assisted.

(6) In sectors like the education of the handicapped children, the education of girls or the education of the backward classes, or adult education, there is considerable scope for private enterprise. To the extent that such enterprise is available in these sectors it should be recognised and assisted. While the responsibility of the State for the development of these sectors is not to be under-estimated, it should be an objective of administrative policy to encourage and assist private enterprise in these sectors to the highest extent possible