

# Private Tuition Institutions A Simple Form of Capitalism: Micro Investigation in District Anantnag

Towseef Mohi Ud Din<sup>1\*</sup>, Imran Yousuf<sup>2</sup> and Nawaz Ahmad<sup>3</sup>

Accepted 22 July 2020

<sup>1</sup>School of Economics Studies, University Ujjain M.P, India.

<sup>2</sup>School of Political Science Studies, Jiwaji University Gwalior M.P.India.

<sup>3</sup>School of Education Studies Kashmir University J&K,India.

## ABSTRACT

The study was done in Anantnag district. Data were collected from private institutions, especially which are located on the most famous road called Khanabal Pehalgam (KP) road. The study shows that the huge amount of money has been spent on education by parents, it has observed that whether there is a low-income group or high-income group their spending is the same on the education of their children. This service is taken as a commodity that is sold on higher prices as they wish and many institutions act as a monopoly and they hike fee 5 to 10% every two to three years.

**Keywords:** Education, Economics, Spending, Capitalism.

\*Corresponding author. Email: towseefeco@gmail.com

## INTRODUCTION

As we know that in the modern world the service sector is one of the leading sectors in providing jobs and plays an important role in income generation. This sector has two main branches that provide more income and employment such as the health sector and education sector. In this research paper, we will discuss the privatization of the education sector and its economic aspect. Privatization is a well-known word. In the areas of business and industry, it has covered a wide area but now it has entered into education and academic area (Kumar, 2017). Privatization is the transfer of activities, assets and responsibilities from government and public institutions and organizations to private individuals and agencies (Blaas, 2007). The term "Privatization" typically refers to shifting the delivery of services performed by public employees to private businesses. This usually occurs in the form of contracting out whereby a public organization enters into contracts with private companies for the delivery of services.

This term has come into widespread use in the 1980s because of the economic reforms. During this period, thousands of state-owned enterprises or public sector units were privatized in many countries (Sharma et al., 2018). Education is the most important and powerful tool

invented by mankind to shape and mold himself for personal as well as social life. In short, it prepares the man for life. Moreover, it is an important source of employment, income and standard of living (Ravi, 2015). The term privatization of Education refers to many different educational programs and policies. It is a process which can be defined as the transfer of activities, assets and responsibility from Government, Public Institutions and organizations to private individual and agencies (Abrol, 2016). The past decade has witnessed a notable shift in the education policy environment, characterized by rapid growth in private educational provision (Menashy, 2014). The trend towards privatization is strong: it is taking place in many countries and within many sectors of the economy particularly the education sector because it is a large expenditure item in Government budget (Dash et al., 2009).

## RESEARCH METHODOLOGY

This study is based on both primary and secondary data. Data is collected purposively among 102 coaching institutions, students of 11<sup>th</sup>, 12<sup>th</sup> class among 7

**Table 1.** Fee structure in private coaching institutions, some of the main subject's 11<sup>th</sup> & 12<sup>th</sup> "year 2012".

S/no.	Subject	Fee
1	Mathematics	4000
2	Physics	4000
3	Chemistry	4000
4	Zoology	4000
5	Botany	4000
6	Economics	2500
7	Political science	2500
8	History	2500
9	Geography	2500
10	Commerce	3000*

**Table 2.** Fee structure in private coaching institutions, some of the main subject's 11<sup>th</sup> & 12<sup>th</sup> "year 2020".

S/no.	Subject	Fee
1	Mathematics	10000
2	Physics	10000
3	Chemistry	10000
4	Zoology	10000
5	Botany	10000
6	Economics	6000
7	Political science	6000
8	History	6000
9	Geography	6000
10	Commerce	7000*

institutions are taken as the sample in Anantnag district as per requirements of the study. Secondary data has been collected from, books, journals, newspapers, and various search engines.

### Econometric Methodology

The main tool of central tendency  $\bar{X}$  has been used to show the average expenditure of student on the education (tuition fee) like:

$$\bar{X} = \frac{\sum X}{N} \dots \dots \dots i$$

### DISCUSSION

Capitalism is often defined as an economic system where private actors are allowed to own and control the use of property in accord with their interests, and where the invisible hand of the pricing mechanism coordinates supply and demand in markets in a way that is automatically in the best interests of society (Bruce, 2006). The economic system based on private property and private enterprise, where the much proportion of economic activity is undertaken by private profit-seeking individuals or organization, it simply means that

privatization creates capitalism which is the content of this paper "that privatization is a simple form of capitalism". In simple language, capitalism means that the control of private individuals on the supply of goods and services. At the end of the 19<sup>th</sup> century, the world is familiar with a new term that is privatization, it enters each and every sector of the economy, and especially it has a great impact on the service sector of the economy. We have to understand that, the service sector is divided into many sub-sectors, among them, the education sector is one the main concern. There are many coaching institutions in Kashmir valley among them only 102 are registered coaching institutions. As per government report, Anantnag has 7 registered coaching institutions which have taken into consideration in this study. On average, there are 200 to 300 students registered in each institution and if we talk about individually there are a few institutions that have enrolled 800 to 1000 students. Each institute provides different courses, it has been observed during the study that most science students are enrolled in these institutions. Looking towards the trend of choosing the subject streams few coaching institutions provide coaching for only science students, the reason behind is that science students have to pay a higher fee as compared to other subject streams. In Tables 1 and 2 the comparison of the fee has been shown between the year 2012 and 2020 which clearly show the increase of fee more than 50%.

In tables 1 and 2 the fees for mathematics, physics, chemistry, zoology and botany increases from 4000 to 10000 in the year 2012 to 2020 which seems more than 50% of the increase in fee per subject and same is the case with the economics, political science, history, geography and commerce subjects. A large number of students come from different areas of Anantnag who are enrolled here, it has been seen there are highly qualified and experienced tutors available who provide good and quality education against those that charge higher fee. If we see as an economic point of view there are large numbers of educated unemployed youth who earn their livelihood from this industry. On the other hand, we observe that this sector creates a monopoly of its own, what so ever they like to charge a fee they do so. There is no interference of administration on such issue, each and every year they hike their fee and students are willingly pay which is simply a form of capitalism or as in economic terminology called monopoly. In short, privatization is a good thing to explore, but without any check, it becomes so harmful and takes a shape of capitalism.

## REFERENCES

- Abrol M (2016). Emerging Trends of Privatization of Education in India. *International Journal of Educational Administration* 8 (1): 1-6
- Blaas W (2007). Privatization of Education: a framework. The PRESOM workshop on education privatization, Vienna University of Technology.
- Dash N (2009). Privatization of Education. Deptt. Of Education, LPU, Phagwara, Punjab
- Kumar R (2017). Privatization in Indian education. *International Journal of Physical Education, Sports and Health* 4 (7): 266-268.
- Menashy F (2014). Theorizing Privatization in Education: Comparing Conceptual Frameworks and the Value of the Capability Approach. *Current Issues in Comparative Education* 16 (1): 13-25.
- Ravi S (2015). Impact of Privatisation of Education in Indian Society. *Journal of Culture, Society and Development* 6: 16-22
- Sharma P, Khan PM (2018). A comparative study of the attitude of prospective teachers towards privatization of education. *Scholarly Research Journal for Humanity Science & English Language* 6 (26): 7329-7336