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Inequality in Access to Higher Education in India between the Poor and the Rich: Empirical Evidence from NSSO Data

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The role of higher education in national development is well recognised all over the world. It is seen as a lever of social transformation as it is about enhancing knowledge and skills of people. According to the human capital theory investment in higher education makes a vital contribution to accelerate the process and the rate of economic growth through enhancing human skills and productivity. Subsequent research has shown that higher education is critical for boosting economic growth, improving income distribution, reducing poverty and socioeconomic inequalities, as it is regarded as the primary engine of upward mobility – occupational, economic and social. It plays an important role in promoting many dimensions of development of nations with respect to social progress, human development, political stability and various other facets of growth and development (Tilak, 2003; 2007; 2018). From human development perspective, investment in higher education is not just a step towards improvement of productivity and better income distribution, but also quite importantly, an action towards fostering higher autonomous citizens who will be able to decide more intelligently on the alternative lifestyle they could have (Comim, 2007: 96).

Accordingly, we find an explosion in demand for higher education; and many developing countries have been experiencing rapid expansion of their higher education system and are fast entering a stage of massification. The higher education sector in India has seen a massive expansion during the seven decades following independence and particularly in the recent decades from the early 1990s. The gross enrolment ratio (GER) in higher education has gone up almost sixty times – 0.4 per cent in 1950-51 to 25 per cent in 2016-17 (UGC, 2015; MHRD 2017). With this, India has grown into one of the largest systems of higher education in the world; it is the second largest after USA. While the expansion of higher education sector has helped the country to reach a stage of massification (which is to be celebrated), it is equally important to analyse and identify the winners and losers in the process of expansion. Did the expansion of the system lead to the widening of access to higher education among under-represented groups and regions or has it widened inequalities? Rising inequalities in the society are indeed becoming an important concern of all. Among inequalities in different spheres, inequalities in education, and inequalities in higher education in particular are seen as too serious to ignore any more.

In this context, this paper attempts to unravel some specific inter-related dimensions of inequality in participation in higher education by economic status of the households. The importance of examining the linkages between economic status and participation in higher education also lies with the fact that a substantial proportion of the increase in economic inequality is linked with the increase in the returns to education and low level of intergenerational mobility. More clearly, a vicious circle is clear: the barriers to access to higher education among low-income students widen the income inequality, which in turn widens the inequality in access to higher education. Given this, it is important to examine how far students from poor households are able to access higher education in India. Further, the study examines the variations in the household expenditure on higher education by socio-economic groups. It is argued that the quality of higher education accessed by the students of poor and non-poor households varies substantially and this is largely due to the differences in their spending on higher education. Even if some poor households send their wards to higher education, they spend significantly less on it, as compared to the non-poor households, which might affect quality, continuation, and performance of students in the studies.

This paper uses the dis-aggregated individual specific unit level data available in the latest two education rounds the National Sample Survey Organization (NSSO) - the 71st round conducted in January-June 2014, and the 64th round conducted in July 2007 – June 2008. The analysis in the paper covers three major dimensions: First, the trend and pattern of attendance in higher education by different socio-economic and institutional factors (gender, caste, location of the household, and type of institution) are discussed using descriptive statistics. In all the cases economic status of the household is taken as cross-cutting core category. Second, inequalities in household spending on higher education are analysed. The variations in the household spending on higher education are shown by gender, location (rural-urban), and type of institution for each consumption expenditure quintile. Third, using the unit level data of 2013-14, the predicted probabilities of attending higher education is analysed for persons aged 18-23 years using logit model. The dependent variable for the logit estimation is a dummy variable and takes value 1 for the persons who are in the age group of 18-23 and are currently attending higher education and, 0, if they (of the age group 18-23) are currently not attending higher education. To examine the variations in predicted probabilities of attending higher education, the statistical analysis is separately made by gender, location of the household and quintiles.

The analysis shows that the inequality in access to higher education has increased substantially by household's economic status in the last seven years. Though the overall gender inequality has come down significantly, this is very high between the rich and the poor. The inequality in access to HE also varies considerably between rural and urban regions. The logit results lead us to conclude that rich income groups have a higher probability of attending higher education institutions than others. The difference in the probability of participation between men and women narrows down as one move from poorest to richest quintiles. Recent debates on higher education in India have raised a variety of interesting policy related issues and through this

empirical study the author has highlighted a few of them, particularly the interaction between income inequality and access to higher education, with the aim to facilitate a more informed policy discourse on this.