ECONOMICS OF PRIVATE SCHOOLS INDUSTRY: A CASE STUDY OF AIZAWL CITY

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BY

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CERTIFICATE

This is to certify that the thesis entitled **"Economics of Private Schools: A Case Study of Aizawl City"** by Shri Andrew Lalsangzela Sailo has been written under my guidance. This dissertation is the result of his investigation into the subject and was never submitted to any other University for any research degree.

DECLARATION

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I, Andrew Lalsangzela Sailo, do hereby declare that the subject matter of this thesis is the record of work done by me, that the contents of this thesis did not form the base of the award of any previous degree to me or to do the best of my knowledge to anybody else, and that the thesis has not been submitted by me for any research degree in any other University/ Institute.

This is being submitted to the Mizoram University for the degree of Doctor of Philosophy in Economics.

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LIST OF ABBREVIATIONS

CBOC	Conference Board of Canada
CED	Continuing Education Center
CEO	Circle Education Officer
CSS	Centrally Sponsored Scheme
DEO	District Education Officer
DIET	District Institute of Education and Training
DSE	Directorate of School Education
FFLP	Farmers Functional Literacy Project
JSN	Jana Shikshan Nilayam
KG-I	Kindergarten-I
KG-II	Kindergarten- II
KTP	Kristian Thalai Pawl
HSLC	High School Leaving Certificate
HSSLC	Higher Secondary Leaving Certificate
MBSE	Mizoram Board of School Education
MEMSTA	Mizoram English Medium Teachers' Association
MHIP	Mizo Hmeichhe Insuihkhawm Pawl
MPFL	Mass Programme for Functional Literacy Project
MSLC	Middle School Leaving Certificate

NCEC	Nodal Continuing Education Center
NCLB	No Child Left Behind
NEHU	North Eastern Hill University
NFE	Non Formal Education
NGO	Non Governmental Organisation
OECD	Organisation for Economic Cooperation and Development
OPEC	Organisation of the Petroleum Exporting Countries s
PSLC	Primary School Leaving Certificate
RFLP	Rural Functional Literacy Project
RoAs	Record of Achievements
SCERT	State Council of Educational Research and Training
SDEO	Sub-Division Education Officer (Office)
SETS	Students Evaluation of Teachers
TKP	Thalai Kristian Pawl
VAK	Visual, Auditory and Kinesthetic
YCA	Young Chakma Association
YLA	Young Lai Association
YMA	Young Mizo Association

1.1 INTRODUCTION

Education in its general sense is a form of learning in which the knowledge, skills, values, beliefs and habits of a group of people are transferred from one generation to the next through storytelling, discussion, teaching, training, or research. Education may also include informal transmission of such information from one human being to another. Education frequently takes place under the guidance of others, but learners may also educate themselves. Any experience that has a formative effect on the way one thinks, feels, or acts may be considered educational. Privates and public schools are established to impart education, at the same time, their main objective is profit maximization. This study focused on the economics of private schools as an industry in Aizawl city.

A right to education has been recognized by some governments. At the global level, Article 13 of the United Nations' 1966 International Covenant on Economic, Social and Cultural Rights recognizes the right of everyone to an education. Although education is compulsory in most places up to a certain age, attendance at school often is not, and a minority of parents chooses home-schooling, sometimes with the assistance of

modern electronic educational technology (also called e-learning). Education can take place in formal or informal settings.

Education is formally divided into stages such as preschool, primary school, secondary school and then college, university or apprenticeship. The methodology of teaching is called pedagogy.

Formal education occurs in a structured environment whose explicit purpose is teaching students. Usually formal education takes place in a school environment, with classrooms of multiple students learning together with a trained teacher. Most school systems are designed around a set of values or ideals that govern all educational choices in that system. Such choices include curriculum, physical classroom design, student-teacher interactions, methods of assessment, class size, educational activities and more.

Education economics or the economics of education is the study of economic issues relating to education, including the demand for education and the financing and provision of education. From early works on the relationship between schooling and labor market outcomes for individuals, the field of the economics of education has grown rapidly to cover virtually all areas with linkages to education.

1.2 PRIVATE SCHOOLS AS AN INDUSTRY

Private Schooling, though, familiar to everyone, does not occupy an important place as a field of research studies. This may be due to scarcity of applied theories in this context. Since its recent emergence, private schools have out-performed the public (Government) schools. It normally attracts more pupils/students the Government run schools. Its (Private School) revenue has also dramatically increased over the few years of its emergence.

Micro-economic theory reveals that private enterprises have profit maximization as their main objectives. Similarly, private schools try to maximize profit by operating at a very cheap input cost. In India elementary as well as secondary education has since long been one of the important activities and in all States of India there is a well organized system of primary and secondary schools run by the government. These schools in the government sector are almost fully supported by the state and therefore, they impart education to the students at a very cheap rate. It has been observed that there is an ever growing demand for private schooling in almost all States in India and the enterprise of private schooling has established itself so well that it has now assumed the characteristics of a full-fledged industry in the tertiary sector.

Private schools are flourishing in almost all towns and cities in India; they have come up in large numbers in the rural areas as well.

It may be rather unusual to call private school enterprises as *industry* since industry is often associated with *manufacturing* and secondly education is under the purview of state activity, which aims at lifting the welfare of the society.

At present it is almost unanimously accepted that private school is an emerging industry. This school, like any other private enterprise, operates with profit maximization as its main objective. It employs teachers at a very low salary (as almost one third of the salary drawn by a teacher in the schools run by the government), and charges substantial amount as admission and tuition fees, often provide for residential facilities to enhance profitability. Private schools strive hard to impress their clients and exhibit remarkable salesmanship to attract them, whereas the schools in the government sector have no incentives or urge to do so.

Not all private schools run and succeed only on the basis of impression created by their skill at salesmanship. Many private schools indeed do better than government schools. Therefore, it is obvious for parents to send their children to such schools with good prospects even though the cost is high. Since its emergence, these schools have outperformed many of the local schools in examination like HSLC, HSSLC. Moreover, students in the private schools receive better quality

education, and learn the spirit of competition.

In this study, education has been given the epithet of industry, because it produces the manpower of different skills and efficiency for the production process of the economy. Whereas the products of other industries are valued for their usefulness in the production of final consumption, the product of education is valued for its productivity – in production process. That is why, schools may be considered as "teaching firms". Many "industrial: concepts can be meaningfully employed for the analysis of education although it has its own peculiarities.

The system of private schooling organizations falls under the category of tertiary sector. It is concerned with provision of services (imparting education and allied facilities). Like in any other industry it buys factors of production such as land, building materials, etc., and furthers it employs teachers and non-teaching staff. Logically, a private school acts as a mill in which the customers (i.e., the parents of a child) bring in the raw material (the child), to be shaped for the future benefits. In doing so, the school charges necessary fees the services rendered to the child or pupil.

Evidently, profit maximization is one of the basic objectives of these privately run schools. Unlike the government-run schools which are geared by 'duty of the state', social service, welfare or development motives and so on, a private school attempts to maximize its profit in

various ways namely charging higher admission fees, tuition fees, hostel rent and other donations. Apart from these objectives some of the objectives which are deemed worth mentioning are expansion of the school and also providing quality education.

In the organizational perspective, private school may take the form of a ‘sole proprietorship’ in which a single individual is a sole owner of the school. The discretion pertaining to policy making lies with the owner and he alone bears the losses and takes the profit. Secondly, there is a partnership where more than one person is involved. Mutual consent and voluntary agreement create them. Though the joint capital is not a norm of partnership they agree to share the profit. Thirdly, there are ‘cooperatives’ that run the school for the furtherance of their economic interests. Many of these schools proclaim to providing maximum services to all the students’ community and not make profit. Another form of schools may be referred to as ‘joint schools; or deficits schools’. Both government and private individuals have their shares in the administration of such schools.

The system of private schools has a market structure. As an industry it falls under the purview of monopolistic competition. Schools produce more or less closely substitutable products such as instruction to pupils and examination results.

One definite thing about the customers (the parents of pupils) is that they have preference for a particular variety or brand of products. These brands are close but not perfect substitutes for each other.

The systems of private schools have all the major characteristics of being called an industry. The characteristics it share with the industry are; (a) profit motive, (b) investment, (c) hiring of factors of production like skilled and unskilled labour, infrastructure like building/land, etc., (d) catering to the demand in the market, (e) product differentiation, (f)technology and innovation, (g) advertising, (h) pricing policy, (i) competition, coalition, leadership and other types of organizational manifestations, (j) location decision and localization, and so on. Since any system that sales its product in the market and exhibits the characteristics mentioned above would be labeled as an industry, there is no reason why the system of private schools should not be labeled as an industry.

1.2.1 Special Features of the Schooling Industry

Unlike many other industries, however, education industry's outputs as well as inputs are not clearly identifiable and measurable, socio-economic and psychic factors abound in case of both inputs and outputs. The major and obvious components of the production function in the education industry are students' time and effort, teachers' time and effort, books, teaching materials and other equipments.

Educational level in general and educated manpower in particular, is the output of this industry. Mathematical formulation of production function of this industry is complicated because of the difficulties involved in identification and measurement of all of its components. However, some general observation may be made on the peculiarities of this production function.

Elasticity of substitution between different factors of its production function is likely to be very low. Buildings cannot be substituted for teachers, and obviously, teacher's effort cannot be substituted for students' effort, and so on. Substitution of teachers by modern teaching machines is possible only in a marginal way. Mechanization of education is a remote possibility, as even the modern equipments require the labour of more teachers.

This industry uses human capital intensively and produces human capital. One can say that it is engaged in the '*production of human capital by means of human capital'*. It uses the largest number of skilled manpower. Educated people in education industry are teachers and administrative staff. In manufacturing sector (factory industries), employees other than main workers usually have higher qualifications while in the education industry the main workers are more educated than the auxiliary workers.

In education industry production is rather cheap. Educational institutions do not make stringent demands on the scarce

resources of the economy. In most of the developing countries, the required manpower is abundant. There are constant additions to the student population. The supply of teachers can be considered as scarce resource in some countries; but this scarcity can be eliminated at least in the long run by proper organization of production in the education industry itself – say, by way of suitable planning of curricula and wage and salary structures. The other main demand which education makes upon an economic system is in the supply of buildings and equipments. These (building in particular) can be provided mostly from the indigenous material and at low cost also. The equipments used in the education industry (schooling in particular) are generally not very costly like those in manufacturing industries.

Foreign exchange components of education are very low. This industry may at the most demand some foreign exchange resources for foreign teachers, textbooks and sophisticated scientific equipments. Even in the higher branches of education, this may amount to not more than 5% of the total direct costs of education. It is thus clear that production in education industry demands very small amount of domestic as well as foreign resources. In view of the strategic importance of the output of this industry, education represents the easiest and a significant form of developmental expenditure which can be undertaken by a poor country.

As manufacturing industries progress, they become more (material) capital intensive and less labour-intensive. This is a general observation in their case, as machines take over the work of men. But in case of education, machines cannot eliminate manpower. Progress in education industry in fact means a higher teacher-pupil ratio indicating greater individual attention.

Some peculiarities can be observed in case of the rewards to the factors of production. The strategic factors of production in the commercial enterprises are paid highest – eg., managers, engineers and administrative officers, etc. are highly paid. But in education industry the most strategic factor – teachers- generally receives low rewards as compared to its counterpart in other industries. This may be partly due to the low skills of the present teachers, but it is mainly due to the neglect of the long-term value of the output of this industry.

Whatever might be the reason for the demand for private school and whoever is working in them on whatever terms, the following points qualify the private schooling industry to be an object of economic analysis:

(i) It imparts education to a large number of students and thus adds to the augmentation of human capital that has its own role with regard to the economic development of the region and the nation as a whole.

(ii) It generates employment opportunities and helps to solve the problem of general educated unemployment to some extent. It saves a good number of educated men – time from being unutilized and wasted.

(iii) It generates income flows that in turn generate demand for many other services and commodities and further income and employment in turn.

(iv) It helps to materialize entrepreneurial and managerial abilities in many youths and help to find the 'achieving society' in the words of D C McClelland.

(v) It promotes development – movement upward of the whole social system – in which literacy plays a great role.

1.3 NORMATIVE THEORIES OF EDUCATION

Purpose of School

Individual purposes for pursuing education can vary. Understanding the goals and means of educational socialization processes may also differ according to the sociological paradigm used.

The early years of schooling generally focus around developing basic interpersonal communication and literacy skills. This lays a foundation for more complex skills and subjects. Later, education usually turns toward gaining the knowledge and skills needed to create value and establish a livelihood.

People also pursue education for its own sake to satisfy innate curiosity, out of interest in a specific subject or skill, or for overall personal development.

Education is often understood as a means of overcoming handicaps, achieving greater equality, and acquiring wealth and status for all. Education is also often perceived as a place where children can develop according to their unique needs and potentials with the purpose of developing every individual to their full potential.

Learning Modalities Theory

There has been much interest in learning modalities and styles over the last two decades. The most commonly employed learning modalities are:

- Visual: learning based on observation and seeing what is being learned.
- Auditory: learning based on listening to instructions/information.
- Kinesthetic: learning based on movement, e.g. hands-on work and engaging in activities.

Other commonly employed modalities includes musical, interpersonal, verbal, logical and intrapersonal.

Dunn and Dunn (2012) focused on identifying relevant stimuli that may influence learning and manipulating the school environment, focus on understanding how people's personality affects the way they interact personally, and how this affects the way individuals respond to each other within the learning environment. The work of David Kolb and Anthony Gregorc's Type Delineator follows a similar but more simplified approach.

Some theories propose that all individuals benefit from a variety of learning modalities, while others suggest that individuals may have preferred learning styles, learning more easily through visual or kinesthetic experiences. A consequence of the latter theory is that effective teaching should present a variety of teaching methods which cover all three learning modalities so that different students have equal opportunities to learn in a way that is effective for them. Many educationists has questioned the extent that learning styles such as Visual, Auditory and Kinesthetic(VAK) are helpful, particularly as they can have a tendency to label children and therefore restrict learning. Recent research has argued "there is no adequate evidence base to justify incorporating learning styles assessments into general educational practice.

Curriculum Theory

In formal education, a curriculum is the set of courses and their content offered at a school or university. As an idea, curriculum stems from the Latin word for race course, referring to the course of deeds and experiences through which children grow to become mature adults. A curriculum is prescriptive, and is based on a more general syllabus which merely specifies what topics must be understood and to what level to achieve a particular grade or standard.

An academic discipline is a branch of knowledge which is formally taught, either at the university–or via some other such method. Each discipline usually has several sub-disciplines or branches, and distinguishing lines are often both arbitrary and ambiguous.

Educational institutions may incorporate fine arts as part of K-12 grade curricula or within majors at colleges and universities as electives. The various types of fine arts are music, dance, and theater.

Instruction Theory

Instruction is the facilitation of another's learning. Instructors in primary and secondary institutions are often called teachers, and they direct the education of students and might draw on many subjects like reading, writing, mathematics, science and history.

Instructors in post-secondary institutions might be called teachers, instructors, or professors, depending on the type of institution; and they primarily teach only their specific discipline. Studies from the United States suggest that the quality of teachers is the single most important factor affecting student performance, and that countries which score highly on international tests have multiple policies in place to ensure that the teachers they employ are as effective as possible. With the passing of No Child Left Behind (NCLB) in the United States, teachers must be highly qualified. A popular way to gauge teaching performance is to use Student Evaluations of Teachers (SETS), but these evaluations have been criticized for being counterproductive to learning and inaccurate due to student bias.

1.4 TYPES OF MARKET STRUCTURE:

The market structure of private schooling can either be monopolistic or oligopolistic in nature. Accordingly, the two types of competition are discussed below.

Monopolistic Competition

Monopolistic Competition (MC) is a type of imperfect competition such that many producers sell products that are differentiated from one another (e.g. by branding or quality) and hence are not perfect substitutes. In monopolistic competition, a firm takes the

prices charged by its rivals as given and ignores the impact of its own prices on the prices of other firms. Monopolistically competitive markets have the following characteristics:

- ***Product differentiation:*** MC firms sell products that have real or perceived non-price differences. However, the differences are not so great as to eliminate other goods as substitutes. Technically, the cross price elasticity of demand between goods in such a market is positive. The goods perform the same basic functions but have differences in qualities such as type, style, quality, reputation, appearance, and location that tend to distinguish them from each other.

- ***Many numbers of firms:*** The fact that there are "many firms" gives each MC firm the freedom to set prices without engaging in strategic decision making regarding the prices of other firms and each firm's actions have a negligible impact on the market. For example, a firm could cut prices and increase sales without fear that its actions will prompt retaliatory responses from competitors.

How many firms will an MC market structure support at market equilibrium would depends on factors such as fixed costs, economies of scale and the degree of product differentiation. For example, the higher the fixed costs, the fewer firms the market will support. Also, the greater the degree of product differentiation, the more the firm can separate itself from the pack, the fewer firms there will be at market equilibrium.

- ***No entry and exit cost in the long run***: In the long run there are no entry and exit costs. There are numerous firms waiting to enter the market, each with their own "unique" product or in pursuit of positive profits. Any firm unable to cover its costs can leave the market without incurring liquidation costs. This assumption implies that there are low start up costs, no sunk costs and no exit costs.
- ***Independent decision making*****:** Each MC firm independently sets the terms of exchange for its product. The firm gives no consideration to what effect its decision may have on competitors. The theory is that any action will have such a negligible effect on the overall market demand that an MC firm can act without fear of prompting heightened competition. In other words, each firm feels free to set prices as if it were a monopoly rather than an oligopoly.
- ***Some degree of market power*****:** MC firms have some degree of market power. Market power means that the firm has control over the terms and conditions of exchange. An MC firm can raise its prices without losing all its customers. The firm can also lower prices without triggering a potentially ruinous price war with competitors. The source of an MC firm's market power is not barriers to entry since they are low. Rather, an MC firm has market power because it has relatively few competitors, those competitors do not engage in strategic decision making and the firms' sells differentiated product. Market power also means that an MC

firm faces a downward sloping demand curve. The demand curve is highly elastic although not "flat".

- ***Buyers and Sellers do not have perfect information:*** No sellers or buyers have complete market information, like market demand or market supply.

In the short run equilibrium of the firm under monopolistic competition, the firms maximizes its profits and produces a quantity where the firm's Marginal Revenue(MR) is equal to its Marginal Cost (MC). The firm is able to collect a price based on the Average Revenue (AR) curve. The difference between the firm's average revenue and average cost, multiplied by the quantity sold (Qs), gives us the total profit.

The long-run characteristics of a monopolistically competitive market are almost the same as a perfectly competitive market. Two differences between the two are that monopolistic competition produces heterogeneous products and that monopolistic competition involves a great deal of non-price competition, which is based on subtle product differentiation. A firm making profits in the short run will nonetheless only break even in the long run because demand will decrease and average total cost will increase. This means in the long run, a monopolistically competitive firm will make zero economic profit. This illustrates the amount of influence the firm has over the market; because of brand

loyalty, it can raise its prices without losing all of its customers. This means that an individual firm's demand curve is downward sloping, in contrast to perfect competition, which has a perfectly elastic demand schedule.

Oligopoly

There is no single theory of oligopoly. But the two that are most frequently discussed, however, are the Cournot-Nash equilibrium and the kinked-demand theory.

Oligopoly is a common market form where a number of firms are in competition. As a quantitative description of oligopoly, the four-firm concentration ratio is often utilized.

Oligopolistic competition can give rise to a wide range of different outcomes. In some situations, the firms may employ restrictive trade practices (collusion, market sharing etc.) to raise prices and restrict production in much the same way as a monopoly. Where there is a formal agreement for such collusion, this is known as a cartel. A primary example of such a cartel is OPEC which has a profound influence on the international price of oil.

Firms often collude in an attempt to stabilize unstable markets, so as to reduce the risks inherent in these markets for investment and product development. There are legal restrictions on such collusion in most countries. There does not have to be a formal agreement for collusion to

take place (although for the act to be illegal there must be actual communication between companies)–for example, in some industries there may be an acknowledged market leader which informally sets prices to which other producers respond, known as price leadership.

In other situations, competition between sellers in an oligopoly can be fierce, with relatively low prices and high production. This could lead to an efficient outcome approaching perfect competition. The competition in an oligopoly can be greater when there are more firms in an industry than if, for example, the firms were only regionally based and did not compete directly with each other.

Thus the welfare analysis of oligopolies is sensitive to the parameter values used to define the market's structure. In particular, the level of dead weight loss is hard to measure. The study of product differentiation indicates that oligopolies might also create excessive levels of differentiation in order to stifle competition.

Cournot-Nash Model

The Cournot-Nash model is the simplest oligopoly model. The model assumes that there are two “equally positioned firms”; the firms compete on the basis of quantity rather than price and each firm makes an “output decision assuming that the other firm’s behavior is fixed.” The market demand curve is assumed to be linear and marginal costs are

constant. To find the Cournot-Nash equilibrium one determines how each firm reacts to a change in the output of the other firm. The path to equilibrium is a series of actions and reactions. The pattern continues until a point is reached where neither firm desires "to change what it is doing, given how it believes the other firm will react to any change" The equilibrium is the intersection of the two firm's reaction functions. The reaction function shows how one firm reacts to the quantity choice of the other firm. For example, assume that the firm 1's demand function is $P = (M - Q_2) - Q_1$ where Q_2 is the quantity produced by the other firm and Q_1 is the amount produced by firm 1, and M=60 is the market. Assume that marginal cost is C_M=12. Firm 1 wants to know its maximizing quantity and price. Firm 1 begins the process by following the profit maximization rule of equating marginal revenue to marginal costs. Firm 1's total revenue function is $R_T = Q_1 P = Q_1(M - Q_2 - Q_1) = M Q_1 - Q_1 Q_2 - Q_1^2$. The marginal revenue function

is $$R_M = \frac{\partial R_T}{\partial Q_1} = M - Q_2 - 2Q_1$$.

$R_M = C_M$

$M - Q_2 - 2Q_1 = C_M$

$2Q_1 = (M-C_M) - Q_2$

$Q_1 = (M-C_M)/2 - Q_2/2 = 24 - 0.5\, Q_2$ [1.1]

$Q_2 = 2(M-C_M) - 2Q_1 = 96 - 2\, Q_1$ [1.2]

Equation 1.1 is the reaction function for firm 1. Equation 1.2 is the reaction function for firm 2.

The equilibrium solution would be at the intersection of the two reaction functions. The reaction functions are not necessarily symmetric. The firms may not face differing cost functions in which case the reaction functions would not be identical nor would the equilibrium quantities.

Kinked Demand Curve Model

According to this model, each firm faces a demand curve kinked at the existing price. The conjectural assumptions of the model are; if the firm raises its price above the current existing price, competitors will not follow and the acting firm will lose market share and second if a firm lowers prices below the existing price then their competitors will follow to retain their market share and the firm's output will increase only marginally.

If the assumptions hold then:

- The firm's marginal revenue curve is discontinuous (or rather, not differentiable), and has a gap at the kink
- For prices above the prevailing price the curve is relatively elastic
- For prices below the point the curve is relatively inelastic

The gap in the marginal revenue curve means that marginal costs can fluctuate without changing equilibrium price and quantity. Thus prices tend to be rigid.

The kinked-demand theory of oligopoly illustrates the high degree of interdependence that exists among the firms that make up an oligopoly. The market demand curve that each oligopolist faces is determined by the output and price decisions of the other firms in the oligopoly; this is the major contribution of the kinked-demand theory.

1.5 PRIVATE SCHOOLING IN AIZAWL: AN OVERVIEW

Aizawl, capital of Mizoram, one of the seven sisters' north- eastern mountainous states of India is selected for our area of study. It is located at latitude 23°30' N and longitude 92°.15' E in the northern part of the state. The city, located on a ridge, is spread over 3576 square kilometers and is at an elevation of 3715 feet. The temperature here ranges between 30°C in summer to 11°C in winter. With a resident population of 291,822('Aizawl City Population', Census 2011), it is the largest city in the state. It is also the centre of administration containing all the important government offices, state assembly house and civil secretariat. The population of Aizawl strongly reflects the different communities of the ethnic Mizo people.

Aizawl, being the largest city in the state, is the religious and cultural center of the state. As the majority of Mizos are Christians, the city is dotted with several churches along with several educational institutions run by the churches.

Mizo and English are the main languages spoken in the city and are also the medium of education, though Hindi and Bengali are also spoken. Mizoram state has one of the highest literacy rates (87%) in the country and the number of schools and colleges located all over Aizawl city reflects the importance of education for the Mizos. The Mizoram Board of School Education office is in the north. Some of the educational institutes in the city are St. Paul's Higher Secondary School, Mount Carmel School, Rosebud school, Government Hrangbana College, Government Bethelehem Vengthlang High School, Bungkawn High School, Government Aizawl College, Mizoram Institute of Comprehensive Education, Pachhunga University College.

Aizawl city absorbed quite a huge number of private schools. The growth of private schools is rapidly increasing after 1990; in 2008 there are over 180 private schools in the city.

Aizawl city is governed by Municipal Corporation and is situated in Mizoram. As per provisional reports of Census India, population of Aizawl in 2011 is 291822; of which male and female are 143,803 and 148,019 respectively. In education section, total literates in

Aizawl city are 253,588 of which 125,256 are males while 128,332 are females. Average literacy rate of Aizawl city is 98.80 percent of which male and female literacy was 99.30 and 98.31 percent. The sex ratio of Aizawl city is 1029 per 1000 males. Child sex ratio of girls is 989 per 1000 boys. Total children (0-6) in Aizawl city are 35,147 as per figure from census India report on 2011. There were 17,667 boys while 17,480 are girls. The child forms 12.04 percent of total population of Aizawl city.

In Aizawl there are 218 government run schools including the newly opened school known as New Primary schools under Sarva Shiksa Abhiyan (SSA). There are over 180 private schools including deficit, adhoc and lumpsum aided schools (these schools are assisted by government in terms of teacher's salary).

OBJECTIVES OF THE STUDY

The purpose of the study is to understand and study the development of private schooling in Aizawl, Mizoram. Private schools may be studied in terms of their sizes, location, organizational pattern and economic endeavor. In particular, the study analysed and understands the following:

1. Structure and trends in growth of the private schooling industry.
2. Amount of income generated by the private schools.
3. The employment opportunity created by private schools.
4. Pricing policy of the private schools.

1.6 RESEARCH QUESTIONS

1. Are the private schools in Aizawl profit maximizes or output maximizes, or these two alternatives reinforce each other?
2. Does the inclusion of revenue from running a hostel change the equilibrium level of output of the private school industry?
3. Does the private schooling industry in Aizawl city contributes for the economic development of the state?
4. Are the private schools in Aizawl city falls under the monopolistic or oligopolistic market structure?

1.8 METHODOLOGY

The study involved empirical observation and analyses of data on different aspects of private schools. The necessary information and relevant data for the study was collected from secondary sources. Secondly, in order to verify the data and its reliability, primary data through questionnaires was collected.

Attempt was also made to obtain relevant information from different sources. Data was collected and generated from as many sources as possible including published works by different scholars. Data have also been collected from the concerned department and its various agencies. Questionnaires, interview and observation was the main tools for

gathering necessary primary information.

This study requires a comprehensive data collection from different private schools ranging from primary to higher secondary. The data was pertained to the following aspects of the schools:(1) Year of Establishment, (2) Type of Management, (3) Medium of Instruction, (4) No of periods taught per day, (5) Non-Mizo enrolment (6) Fees structure, (7) Assets of the schools, (8) salary Structure etc.,. After indepth analysis of the data attempt was made to bring out the types of market in which private schools operate. An attempt was also made to find out the role and contribution of this emerging industry in the development of the State.

The data collected was analysed with the help of appropriate statistical tools.

Collection of Data

The study has been based on primary data and secondary data. Primary data have been collected from 40 private schools and each schools authority have been asked the function and problems faced by it. These primary data have been selected randomly. Secondary data are collected from Census of India 2001 and 2011, Annual Publication 2008-2009, Department of School Education, Government of Mizoram, Statistical Handbook 2008, Department of Statistics, Government of Mizoram, Monthly Report, District Education Office. Besides the above,

books, journals, e-resources were also used to gather information about private schooling as an industry and also the statistical handbooks of Mizoram for data of the area of study.

The data collected was analysed with the help of appropriate statistical tools such as correlation, regression etc. The schools that were selected randomly for the study are presented in Table 1.1 below.

Table 1.1: List of Schools

Sl/N	Name of Schools
1	Helen Lowry School
2	St. Paul's Higher Secondary School
3	Synod Higher Secondary School
4	Mary Mount
5	Neuhof School
6	Tiny Tots School
7	Home Mission School
8	Mount Carmel School
9	English Congregation school
10	Ebenezer Boarding School
11	Holy Mission School
12	Hrawva School
13	Oxford Higher Secondary School
14	Mt. Ararat HSS
15	Centenary School
16	New Foundland School
17	Greenland HSS
18	Alma HSS
19	P.Z.Memorial School
20	Graceland School
21	Lalmalsawma Memorial School
22	Providence school
23	Blue Star Academy
24	Highlander HSS
25	Eastern Jordan School
26	Lalfak Senior Secondary School
27	Rev. Saiaithanga School
28	SS Memorial School
29	Snow White English Medium School
30	John Zoliansanga Memorial School
31	Children Guiding Higher Secondary School
32	LK Richmond School
33	Mt. Sinai School
34	Oikos Higher Secondary School
35	Chanmari Higher Secondary School
36	Springfield English Secondary School
37	Divine Intervention School
38	Mt. Horeb English Medium School
39	C.L. Buanga Memorial School
40	Brighter Higher Secondary school

The present study is an attempt to analysed the structure and growth of private schooling industry in Aizawl City. It examined the revenues and expenditures of the randomly selected 40 private schools by analyzing the various sources of revenues and expenditures incurred by them. Based on the theories mentioned above, the structure of the market was also analysed. Further, this study also covered the teacher-students ratio, enrollment rate, gender gap in teachers, curriculum, physical classrooms and other variables which gives a clear picture of the status of the private schools in Aizawl. Also, this study examines the contribution of private schools for the economic development of the state and also suggests measures for the stake holders for the betterment of education in Mizoram.

2.1. INTRODUCTION

The literature concerning private school industry has been scared. The reason behind this scanty literature may be that it has scarcely attracted the attention of the researchers, partly due to its recent emergence and partly due to its being in the informal sector. Secondly, the impression caused by the overtone of welfare and development that surrounds schooling is often carried over to private schooling enterprise as well. This has led to overlook its economics. The reason is the wide acceptance of the paradigm that the 'Economics of Education' has put up before the researchers. In this paradigm, the economic study of institutions providing educational services, recognition of an individual institution as a firm and the collection of such institutions as an industry, probing into the pricing policy at the level of individual institutions as well as the collectivity, study of the relevant demand function, etc., have no place of importance. In short, this paradigm ignores the micro-economics of education and concentrates on its macroeconomics and that too mainly from the viewpoint of development. As a result, research papers abound in number that study economics of education at macro level and have development bias, but research work at the micro-

economics of education is only far and few between. Of late, a large burden on the public exchequer because of maintaining the institutions of higher education coupled with a meager scope of employment that the state can provide for the pass-outs from such institutions has sensitized some studies to work out the average/unit (variable) cost of higher education. However, such studies, obviously, have a different perspective than to understand the micro-economics of education in the private sector, in which lower education (schooling) has only a little importance. Nevertheless, there is now a growing recognition of the system of private schooling as an alternative to state-run schooling system and a perspective has emerged in which they may be compared and evaluated.

2.2. RELEVANT WORKS ON MICRO-ECONOMICS OF EDUCATION

It will be extremely worthwhile to mention some of the works that relate to the micro-economics of education that may be relevant to our proposed studies. The studies in micro-economics of higher education have been better studied than the school education. The reason behind this may be that higher education invokes economies more readily than the school

education and that the latter being closely associated with overall

welfare considerations. School education indirectly related to the hard core economic considerations. Moreover, literacy, primary school education and perhaps school education as a whole has been placed on such a high pedestal that it is difficult for a dismal science like economics to convince people that a very and high and impressive thing like school education could ever be a concern of the filthy lucre and hence a matter of an economic discussion.

Leftwich and Sharp (1984) in their book “Economic of social issues” consider higher education as an industry and evaluate higher education in that framework (p.70) Joshi (2000) observes that today with large number of private institutions both university affiliated and independent the monopolistic characteristic is widely visible. There are two characteristics of this market: first, firms compete by selling differentiated products, which are highly substitutable for one another but not perfect substitutes (in other words, the cross-price elasticity of demand are large but not infinite) and secondly, there is free entry and exit-it is relatively easy for new firms to enter the market with their own brand of the products (course design) and

for exiting firms to leave if their product/courses becomes unprofitable. The growth of these institutions seems to be more bent towards professional courses. Joshi takes into consideration the management courses as an example for analysis primarily because the increasing competition within these institutions has incepted the concept of product differentiation. The recognition of product differentiation had led the development of rational for the selling expenses incurred by the institution with advertisement and other selling activities seeking to accentuate the difference between its courses and the courses of other institution. It is so on the line of the assumption of Chamberlin that advertising in general will shift the demand and will make it less elastic by strengthening the preference of the consumers for the advertised course. The selling-costs curve will be U-shaped, that is, there will be economies and diseconomies of advertising as output changes. Works of Leftwich & Sharp and Joshi are quite relevant to our investigation, although they relate to higher education (and not private schooling).

In an interesting report, Chittaattukalam (1999) observes that it is paradoxical to note that most of the privately managed schools are much in demand for admissions that those funded by the government and managed and controlled directly or indirectly

by it. Clearly, the apathy or rather indignation shown by the parents to the government-run schools finds its origin in the poor services offered by these schools.

Eisemon (1992) on private initiative in higher education in Kenya opine that Africa's higher education crisis has prompted the growth of private. Though Kenya is occupying the position of largest number of private institution in Africa, Kenya's enrolments are very low and private higher education is expensive and many institutions are caught in a dilemma. He came to the conclusion that as long as public higher education is provided at low or no cost and private higher education is entirely self-supporting, the private sector will have a peripheral role in higher education in Kenya and other African countries.

Basch1999 looks at the changes in the endowment spending of private colleges in the early 1990s. He observed that from 1989 to 1995, the market value of private colleges' endowments grew sharply. However, the growth in endowment support for current operations lagged behind this growth in market value. For private colleges as a whole, the decline in the actual endowment spending rate appears to have brought it roughly in line with the optimal rate.

Saunders, Kingdon and King (1997) attempt to discover the attitudes and opinions of students both to the process of recording achievement whilst at school and the usefulness of the summative document, particularly in application to higher education. It also aims to determine students' expectations about how higher education will build on and further develop their records of achievement, and to identify any plans students may have to update the document. Questionnaire surveys were undertaken at the University of Glamorgan; University of Wales, Aberystwyth; University of Wales Institute, Cardiff; and Swansea Institute of Higher Education. The study identifies an overall positive response to recording achievement in school, but only a limited use of the document whilst planning for and applying to higher education. Students were generally keen to update their records of achievement (RoAs) at college or university, and were most likely to use them in the future when applying for jobs or further courses. Implications for further research are highlighted and a number of action points for schools and higher education are outlined. An example of one way in which higher education may build on the NRA started at school is offered.

Basch (1997) on private colleges' pricing experience in the early 1990s observes that during the early 1990s, percentage increases in private colleges' *"sticker prices"* continued to outpace increases in the economy-wide inflation rate, input prices, and income growth; but after netting out the effect of rapidly increasing college-funded grants, the positive differentials appear to have decreased relative to the 1980s. Perhaps as important as the overall picture, substantial dispersion exists among private colleges in the actual net prices received by the colleges from full-time freshmen. While total revenue net of college-funded grants increased at healthy rates taken together, a substantial subset of colleges experienced declines or subdued growth in net revenue. Shortfalls in the growth of net revenue were especially concentrated among colleges with less stringent admissions selectivity. The broad dispersion of college experiences supports the view that, in the context of national estimates of student responsiveness to price and aid changes, college decision makers consider their own college's special characteristics and local conditions in making price and aid decisions.

Bates and Santerre (2000) examine and explain private four-year college closures and mergers in the United States using

time series data at the national level for the period 1960 to 1994. The data imply that, except during the 1970s, private colleges were much less likely to close than businesses in general. Furthermore, the data indicate that private college mergers occur more often often than casual empiricism suggests. Multiple regression analysis of the exit and merger reveals that private college closures and mergers are more likely when the real tuition rate declines and real faculty salaries rise at private colleges. Both the closure and merger rates are found to be highly responsive with respect to changes in private tuition and faculty salaries. The empirical results further indicate that religiously affiliated colleges are less likely to close and merge than secular institutions and that a larger student pool leads to less closing and merging of private four-year colleges.

Morey (2001) examines the recent growth of for-profit higher education in the United states with a special emphasis on teacher education. Recent increased interest in for-profit education accompanied by the availability of venture capital has focused discussion and debate on this growing segment of American education. Supporters of for-profit education point to the benefits that accrue from competition in a free market scenario, most importantly, the improvement of education and

potential reduction in costs. Educators argue that public schools and universities play a critical role in a democratic society by providing education for citizenship and access to opportunity-functions rarely addressed by for-profit firms. At the higher education level, for- profit universities are beginning to offer teacher education programs specifically designed to meet state requirements only.

Thompson and Zumeta (2001) bring out the relationship between key state policy variables- (1) relative (private-public) tuition prices, (2) state student- aid funding, and (3) public institution density- and the competitive position of private colleges and universities is examined. Elite private schools are found to be nearly impervious to state policy. Large and moderately selective private institutions are adversely affected by public institution density and low public prices. Such prices divert students who would otherwise prefer these private institutions to similar public schools. State student aid funding most affects the enrolment market shares of the small, low-selectivity private colleges enrolling the greatest proportions of minority and modest-income students. The findings suggest state policies in this era of strong demand for higher education and constrained public sector capacity should use price signals

(student aid and public institution pricing) to encourage students to consider seriously whether private higher education might serve their needs as well as or better than public institutions.

Gibbs (2001) on higher education as a market considers notions of the market in UK higher education. It is argued that the economic market commodities higher education as the accreditations earned at higher education institutions. He suggests that, if this is the consequence of the market, then the notion is inadequate to represent the achievements of higher-level learners. In its place, the author conceives of a mechanism that is built on higher education being a conversation by respectful and involved colleagues, who seek to develop educational relationships rather than transactional deals between traders.

Perna (2002) draws upon the final report of the National Commission on the Cost of Higher Education (1998), Ehrenberg (2000), and King (1999) to explore (a) the cost of higher education at selective private colleges and universities, (b) public concern about the rising costs of higher education, and (c) the shift in financial aid policy from access to affordability. It also discusses implications for selective private institutions, the broader goals of access and choice, and higher education

professionals.

Bhatty (1998) observes that India's development performance and its yet unleashed potential has been the subject of much discussion and debate in policy as well as academic circles. Yet the most glaring feature of the Indian economy – its

more distributing record in human resource development, particularly as it relates to education – continues to receive inadequate attention. While there have been numerous policy pronouncements and government programmes to alleviate the situation, the ground reality shows highly unsatisfactory progress.

According to Bhatty, earlier analyses of educational deprivation in India have often used as demand-supply framework to explain the slow progress of basic education. While it is certainly possible to associate most of the appropriate explanatory variables either with the 'supply side' (the provision of schooling facilities) or with the 'demand side' (the utilization of these facilities), the analogy with the standard demand-supply framework is somewhat misleading in several respects. First, education is not a homogeneous product; quality is a crucial consideration. Second, in the case of education, there is no single

demand-supply equilibrium, and no well-defined price to bring demand in line with supply. Government school, for instance, charged fixed and negligible fees, and normally does not refuse new admissions; if access demand develops, it is typically contained via the decline in the quality of education that follows from overcrowding. Third, the demand for education has an important socio dimension, which can be easily overlooked in the standard demand-supply framework. Fourth, educational decisions are often made by some persons (e.g, the parents) on behalf of others (the children), a particular important feature in the case of female education: this interpersonal issue, again, are outside the focus of demand-supply analysis. The most widely held belief regarding India's poor educational status relates the demand for education with the poor economic status of parents. It is commonly accepted, particularly in official circles, which poor people cannot afford to send their children to school. The main 'explanation' offered is that the opportunity of sending them to school is very high as children make valuable contributions to the household economy. Hence sending them to school instead of using them as household help or wage earners is not an economically feasible option. In addition if direct cost of education (books, stationery, uniforms, etc) are also to be

borne then schooling becomes practically out of reach for the poor. Referring to the fifth all-India education survey, Bhatty points out that (1) barely half of all primary schools in India have a single building, (2) about 42 per cent have a single classroom (if any), (3) just over half have a usable blackboard, (4) less than half have any drinking water facilities, (5) not more than 60 per cent have only one or two teachers in position (if any), and only 15 per cent have more than four teachers.

Konwar (2002) discusses the reasons of drop out in schools of the NER of India. He observes that the majority of children who are enrolled cannot continue their primary school mostly due to (i) poverty, and ignorance, (ii) child labour, (iii) lackluster schools and lack of minimum infrastructure in the schools, (iv) curriculum load (v) traditional teaching mode, (vi) lack of instructional material, (vii) faulty examination system, (viii) gender gap, (ix) parent's ignorance, social stigma and illiteracy of parents, (x) first generation gap, (xi) causes of tribal gap in education, (xii) lack of early childhood care and educational facilities, (xii) dearth of qualified teachers, (xiii) lack of job opportunities, (xiv) efficiency and learning achievement, (xv) migratory population.

2.3. RELATION WITH MACRO-ECONOMIC AND DEVELOPMENT CONSIDERATIONS

Since the latter half of the last century, a large corpus of literature has grown on the relationship between human capital and economic growth. Several of the classical economists writing in the eighteenth and nineteenth century including Adam Smith, Alfred Marshall, and John Stuart Mill drew attention to the importance of education as a form of national invent and considered the question of how education should be financed. In the erstwhile Soviet Union, the Russian economist Strumilin examines “the economic significance of national education” in 1924. However, it was a revival of interest in the concept of investment in human capital which developed in the Unites State and the United Kingdom in the late 1950s and early 1960s that stimulate new interest in the question of the relationships between education and the economy. Since that time there had been a tremendous growth of research and publications in the area of the economics of education, including such topics as the contribution of education to economic growth, the profitability of investment in education including estimate of the social and private returns to education, the role of educated manpower in economic development (including attempts to forecast

Manpower requirements), the cost of education(including question of cost effectiveness and productivity), the finance of education, and more recently studies of the effects of education on the distribution of income and wealth.

Economic theories of capital and investment focused on investment in physical capital such as buildings, factories and machines which generate income in the form of production of goods and services. However, many economists have pointed out that education and training create assets in the form of knowledge and skills which increase the productive capacity of manpower in just the same way as investment in new machinery raises the productive capacity of the stock of physical capital. In the early years of the 20th century the Russian economist Strumilin (1924) and economist in the United Kingdom and Europe drew analogies between investment in education and investment in physical capital. However, it was in the period 1995 to the present day when there was such a growth of interest in the idea that expenditure on education represented investment in human capital that one writer reviewing the theoretical and empirical work of the subject has described it as “the human investment revolution in economic though” (Bowman 1966). Economist such as Schulz (1961, 1971) and Becker (1975) have

developed and analysed the concept of human capital treating education and training as a form of investment producing future benefits in the form of higher income for both educated individuals and for society as a whole.

The concept of human capital is central too much of the research in the economics of education and is also important in other branches of economics which at time overlap with the economics of education particularly analysis of the lab our market and employment policy, the determinacy of earnings, and the distribution of income. It (human capital) can be applied not only to education and training, but to any activity which increases the quality and productivity of the labour force and thus raises future income levels. Thus expenditures on health and migration can also be regarded as investment in human capital and the question is then raised of how profitable it is for individuals or for society to invest resources in education or training, rather than in physical capital or in other forms of human capital.

From a purely economic point of view, it is more profitable to invest additional resources in the lower levels of education than to expand higher education, although the social

and private demand for higher education has expanded rapidly, in recent years, particularly in less developed countries. Thus, the concept of human capital, in particular the concept of the rate of return to investment in education is relevant to the question of how society's resources should be allocated between different types of investment. Comparison between the rate of return to human capital and the returns to investment in physical capital are relevant to the question of how many resources should be devoted to education or to other forms of investment in human capital such as vocational and industrial training. Comparisons between the rate of return to different levels or types of education can be used as a guide to resource allocation within the educational system.

In the traditional theory, investment builds up capital, but human capital built up through expenditure on education (and health) is hard to impute clearly to either consumption or investment. A lack of firm integration between economics of development and economics of education is, at least partly explained by the said fuzziness that traditional theories are inapt to deal with.

The National Education Commission report (1966) says, in a world based on science and technology, it is education that determines the level of prosperity, welfare and security of the people.

Mazumdar (1983) refers to R.A. Musgrave, who, while recognizing the consumption aspects of education, divides it into two parts: (a) Current consumption- the delights of attending schools, and (b) Future consumption- the ability of enjoying a fuller life permitted by education.

Rajiaah (1987) referring to Gunnar Myrdal pointed out that Myrdal elaborated the state of knowledge on the relationship between education and development.

Kothari and Panchmukhi (1990) point out that education influences economic development. It alters the attitude to work, consumption preferences, saving propensities, economic rationality, adaptability, innovativeness, flexibility, attitude towards family size and various social attitudes relevant from the economic point of view.

Enaohwo (1990) writes that, Development planning in education is increasingly adopting the economic option. The

basis of this shift is the conventional evidence in support of the role of education in economic growth and development. Due to the significance of these findings to educational planning, the relationship between education and economic growth is the subject of analysis. On the basis of findings from such correlation studies investment in education is founded. He further goes on to say that economic rationalization of education as an investment, which is available to individuals and society, has been confirmed to the extent that human capital now compares favorably with physical capital in the development process. Perhaps, the importance of these to society is not the historical relevance of such contribution, but the extent to which the available indices could be maintained and improved upon under the overall gamut of economic planning and development.

Quoting Adam Smith, Nataranjan (1990) has spoken of the significance of education in economic growth at various stages as perceived by Smith in his classic “the wealth of a Nation”. He included the human resources in his concept of fixed capital and he wrote that the acquisition of such talents by the maintenance of the acquirer during his education, study or apprenticeship, always cost a real expense, which is capital fixed and realized, as it were, in his person. Those talents, as they

make a part of his fortune, so do they that of the society to which he belong.

Nataranjan further refers to Alfred marshall who felt that education is the most valuable of all capital that is invested in human beings and therefore considered it as a national investment. Marshall is of the view that the most valuable of all capital is that invested in human beings. He remarked that if the capital stock of the world were destroyed but the knowledge of its construction and use still remained, it could be reconstituted within comparatively short period. But if the stock of knowledge and the skill to use it were destroyed then many ages might pass it was reconstituted- indeed it might not be reconstituted at all.

Heggade (1992) has stated that the economic studies of educational problem area are vital in an age when educational need far exceeds the resources allocated to fulfill these needs. It does not suggest that the economic answer is the answer. Rather it should be weighed along the anthropological, psychological, political, sociological and other aspects of a problem. Even if the political aspects of a problem are deemed overriding in importance, it is important to know and understand the economic aspects of the question.

Singh (1995) discusses school education in the light of the contemporary shift of education policy favouring privatization, liberalization and globalization. To quote him: "Now what would globalization mean for educationalists need to be thoroughly examined? To my mind, globalisation has the following implication as far as education is concerned.

(i). The market forces would also start looking they would expect schools to respond more to the needs of the market economy. This has implication in terms of values as well as the whole management of schools.

(ii). As a result of the play of market forces many question are being raised this country; whether we should also allow our schools to be taken over by private bodies and institutions who would like to run these institution like industrial enterprises.

(iii). Private institutions always have their own values that they would like to integrate with the curriculum or activities of the school. It is here that one needs to be careful. A nation must ensure that while privatization takes place, it does not encourage fundamentalism and other constrained ideologies that divide the people.

As education is concerned, it must examine thoroughly the whole concept of privatization and commercialization. The issues of quality of education, privatization and commercialization, etc need to be thoroughly examined. It is possible that if we commercialize education, we may produce an excellent engineer or doctor, this person may be very good technologist but may not have rationalistic qualities".(pp. 106-108). This hope of last resort has turned out to be the only weapon of survival for educational institution. This is so because of the inability of administrators to convince funding agencies to give education a greater priority. For this purpose, budgeting, which has been with us since time immemorial, has become the popular chess board to which administrators are forced to adjust, so that institutions may conform to the so-called fiscal reality outside the school system" (p.179). "On the part of pupils and students, the budget also plays a very critical role. Thus their comfort and opportunities for relevant education is determined by the budget. This is why students should not be apathetic to budgeting in the school. For this purpose, an acceptable way of involving students in the budgetary processes is for them to act as liaison channel between the school and their parents, who are taxpayers and ultimately policy makers. Such arrangement makes

it incumbent on the students to enlighten their parents on the need for government to give reasonable priority to education. In view of this, budgetary pursuits or goals should also be reasonable before students can successfully play their role.

Chitty (1997) on privatization and marketisation elucidates that the term ‘privatisation’ is applicable of many different interpretations where education is concerned. For many on the far right of the political spectrum, it embraces all those measures designed to work towards a situation where, eventually, all schools will be in private ownership and parents will be supplied with educational vouchers or ‘credit’ to spend at the schools of their choice. Yet, it can also be broadened to cover all those initiatives that blur the boundaries between the private and state sectors. While privatization in the purest sense has not so far been achieved, developments since 1979 have created a situation where there is considerable state support for private institutions, where state schools find themselves increasingly reliant on support from local businesses and where schools are pitted against one another in a cut- throat competition to attract pupils.

Tilak (1997) observes that with the increasingly strong opinion that welfare state is dead, the conventionally strong role of the state in financing education is under attack. Public good nature of education is no more recognized as an important aspect; education, higher education in particular is regarded as a non-merit good, public subsidies on which could be drastically reduced, if not eliminated altogether. Privatization of education is no more undesirable; in fact, it is argued to be offering an effective solution to major educational problems. Privatization which was not a respectable term in education in 1950s later became a fashionable slogan for the 1990s and beyond. The case for public financing of education is being questioned though the nature of education and the principles of financing education have not changed. Privatization of education is also increasingly viewed as an effective solution to the problem of finances. The government seems to be encouraging privatization of all kinds, particularly opening up of private schools with no state support, and increased reliance of government schools and colleges on private resources. Experience has shown that private schools rarely ease the financial burden on the part of the government, besides creating a dual system of education: one for the rich and another for the poor. Further, the mechanism of state aid

contributed to enrichment of private schools and pauperization of government schools. It is too costly to overlook the valuable experience of our own and of others.

Rajaiah (1998) on privatization of education argues that it would increase efficiency because: (1) The management of private colleges become more responsive to the needs of students; (2) they responds to the demands of the parents who pay the bills; and (3) they become more responsive to the needs of the economy (for e.g. autonomy, computerization, etc.).

It is interesting to note that those who plead for privatization of education take it for granted that all the ills of education are solely due to the state control and state financing of education. They assume that privatization will do away with all the ills. However, matters might be different. Possibly, the malady in education is not because who controls it or who finances it, but because there are problems in governance accountable to the soft state. In a soft state privatization may at best ease the financial burden of providing higher education on the public exchequer and absolve the state from the concerned responsibilities, it may continue with the current maladies or for

the worse beget more serious problems detrimental to the goals of education.

Sharma (1998) discusses effectiveness of schools in developing countries. His observations may be summarised as follows. “Research on school effectiveness or, the attempt to locate ingredients of good and successful schooling, travelled from developed countries to developing countries in the late 1970s. In developed countries the socio-economic background of the students emerged as a major determinant of achievement at school. However, parallel research in developing countries found the variable of school quality far more significant. Generally, this difference has been attributed to two factors. One, that in developing countries population (i.e. people who follow conditional occupations like agriculture) tend to be less differentiated in terms of socio-economic and educational backgrounds than in developed world, making the pupil’s antecedents less varied and therefore, not a deciding factor for success at school. Second, there are wider variations in school quality in developing countries than in developed countries. All schools have some minimum basic facilities in developed countries. In contrast schools in developing countries can lack something as elementary and essential as a blackboard. Therefore

many researchers assume that the quality of the school, rather than socio-economic background of students is central to learning outcomes. Consequently, there have been many studies about the impact of inputs such as libraries, instruction time homework, textbook, teacher knowledge, teacher experience, laboratories, teacher salary and class-size. Further, Sharma observes that parents and public representatives in more developed areas are more concerned and vocal about children's education, and consequently about the school. This is not surprising for modernization or development creates opportunities that can be exploited well by educated persons. The recent proliferation of private, fee charging English medium schools in large, prosperous villages illustrates the process very well. Moreover, development affects not only demand for education but also the capacity to translate the perceived need into action. In less developed areas even when villagers are concerned about the school, it is difficult for them to act upon this concern. The lack of a road can hamper in no mean measure the tendency to complain to higher authorities and events such as an absconding teacher are rarely noticed by local newspapers in less developed areas where even journalists and politicians do not go often. Teachers prefer to teach in schools situated in more

developed areas that provide better living conditions and transport facilities. Therefore, ineffective and unsuccessful education should not be seen as a neutral or better-than-nothing phenomenon. It can very easily lead to misallocation and poor utilization of scarce resources. If school effectiveness is not given adequate attention, there could be meaningless and redundant universal elementary schooling at great cost. Moreover, if improvement in school quality is undertaken without understanding and making room for the socio-economic context, then a great deal of money could be spent without real results.

Currie and Vidovich (2000) study privatization and competition policies for Australian Universities. Privatisation encapsulates an ideological shift towards market principles such as competition, commercialization, deregulation, efficiency and changing forms of accountability. In higher education, the privatization trend includes the full gamut from the creation of fully private institutions that operate without government financial support, to reforms in largely government-funded institutions operating in more of a quasi-market mode. The study examines privatization policies and speculates on their origins and their ramifications for universities around the world. In

particular, it describes the impact of corporate managerialism (the import of management practices from the private sector) in institutions still largely under the control of governments, and focuses on examples of the particular effects of this ideological shift in three Australian Universities. It argues that some traditional academic values should be preserved as important attributes of universities that enable them to operate in the public interest and maintain their role as a critical voice in society.

Hyslop-Marison (2000) studies on the market economy discourse on education and suggest that the most serious threat posed to contemporary education is the deleterious impact that market economy policies have on current curriculum theory and development. It explores the market economy discourse on education that emerges internationally from Me Organisation for Economic Cooperation and Development (OECD), and domestically from private institutions such as the Conference Board of Canada (CBOC) and public ministries such as Industry Canada. These organizations promote the market economy discourse on education by framing discussions on curriculum policy between government and business interests. By referring to the primary sources of the market economy discourse on education, then, this article draws attention to the global

economic vision currently shaping Canadian schools and explores its impact on domestic education policy. Further, it proposes a means whereby those teachers holding a less intractable perspective on education might resist the current market economy siege on schools. Ironically, this approach involves using the critical tools appropriated by the market economy discourse on education in a manner entirely unintended and unforeseen by its supporters.

Garrett (2001) examines the interplay between public and private funding in English higher education. It argues that English higher education has reflected a tension between institutional diversity and a particular 'university ideal'. The absence of serious 'for-profit', private competition contributed to dependency upon the state. As public funding has diminished, the 'university ideal' has given way to the marketplace, with sweeping consequences for the system as a whole.

Gindling and Sun (2002) opine that the significant feature of Taiwan's educational development is the high degree to which the structure of educational expansion, especially in higher education, has been strictly planned by the government. The Ministry of Education controls the number of students who are

allowed to attend all institutions of higher education (both private and public). They also presents evidence that this control over the relative supply of workers with higher education, rather than changes in relative demand for these workers, was the more important factor causing changes in the relative wages of Taiwanese workers with higher education between 1978 and 1995. For example, decisions by education planners in the 1980s to increase the number of students enrolled in universities and junior colleges led to a fall in the wages of workers with higher education relative to the wages of workers without higher education.

Eight Five Year Plan Document of India (1992-1997), analyzing the problems of the enormous quantitative expansion of higher education in India, brings out six important thrust areas to resurrect the existing system of higher education. They are: (1) integrated approach to higher education, (2) excellence in higher education, (3) expansion of higher education in an equitable and cost effective manner and in the process, making the higher education system, finally self-supporting, (4) making the higher education relevant in the context of changing socio-economic scenario, (5) promotion of value education, (6) strengthening the management system in the Universities.

Salmi (1992) looks at the current higher education crisis in developing countries and discusses how problems are analysed and decisions made in the context of higher education reform. He focuses in particularly on discrepancies between objectives and achievements in an attempt to highlight the importance of risk analysis in strategic planning for higher education development. He observes that traditional approaches to higher education planning and decision making have failed to build into their development and reform strategies appropriate mechanisms to evaluate risks and deal with uncertainties. Developing countries have been following three main strategies to minimize the adverse effects of the higher education crisis: the passive risk approach, the positive risk approach, and the diffuse risk approach. Experts have advocated a contingency planning approach to planning for educational projects sponsored by international donor agencies, taking into account the management requirements for a smooth implementation of innovative projects. In the case of higher education reforms, focusing on management variables is important but not sufficient. An impact assessment approach is needed to reflect the challenging nature of higher education reforms, which, by essence, confront established practices and stakes.

Jallade (1993) sets his study to highlight the contribution of higher education to the restructuring and reform of other sectors of the education and training systems in Central and Eastern Europe. It is organized around the four following key issues: (a) improving the connection between secondary and higher education, (b) developing the teacher training function of higher education, (c) strengthening the contribution of higher education to curriculum development at the secondary and primary levels, and (d) promoting continuing education within higher education. The study finds out that attempt at reforming education systems are under way in most Central and Eastern European countries. New education laws establishing the legal framework to operate these systems have been or are about to be adopted. Innovative thinking is taking place and cooperation with the West has made a significant start. The impact of these efforts is, however, jeopardized by extremely severe budget constraints, often causing cuts in education expenditure. There is inadequate maintenance of buildings, there is a lack of funds for the acquisition of teaching and learning equipment and, above all, there are low salaries for teachers and other staff. Within the education sector, higher education is in direct competition with primary and secondary education for public finance. Under such

difficult circumstances, there is no point in proposing a radical overhaul of higher education systems, which would stand little chance of being implemented. Progress will come from steady efforts aimed at restructuring those systems internally, mobilizing existing (but sometimes misused) resources, arid providing incentives to influence the behavior of the various participants-teachers, students, industry, educational administration, etc.

Birdsall (1996) discusses problems with the prevalent view that public resources for education in developing countries should be reallocated from higher to lower levels of education. There may be a case for maintaining and even increasing spending on higher education, as long as public funds can be directed to research and other "public good" functions of institutions of higher education. Current measures of social returns to primary, secondary and higher education do not reflect unmeasured social benefits at each level; since we do not know the relative size of these benefits across levels, we do not know the true ranking of social returns across primary, secondary and higher education. The true social rate of return to certain components of higher education, such as research and postgraduate training in science and technology, and creation of

other skills where social returns probably exceed private returns (such as public administration) is probably high, and in some settings, may now be as high or higher than the social rate of return to primary and secondary education. Moreover, achieving and sustaining adequate levels of quality to capture these social returns requires minimal stability in public financing, arguing against major reallocations away from higher education. However, this does not argue for more public spending on all higher education programmes. On the contrary; within the envelope of total public spending on higher education, reallocation away from public on undergraduate training makes sense, since such training probably has low social compared to private returns, and can be accomplished by greater reliance on private universities and by increasing tuition and other fees in public universities, while ensuring equitable access through loan and scholarship programs.

Tilak (1995) estimated that economic returns- both private and social- on education are high. They are higher or at least comparable to returns and returns on physical capital. Private returns to education are higher than social returns and returns to primary education are higher than social returns and

returns to primary education are higher than returns to other higher levels of education.

Menon (1997) estimates perceived rates of return to higher education in Cyprus and uses them in logistic regression analysis in order to study the effect of economic considerations on the decision of secondary school pupils to pursue higher education. Unlike earlier studies, the data used in the computation of these rates are based wholly on the pupils' subjective estimates. The results are supportive of human capital theory. The mean rate of return to higher education estimated by higher education candidates is considerably higher than that perceived by labour market entrants. Logistic regression analysis shows the perceived rate of return to higher education, as estimated by both the elaborate and the short-cut methods, to have a significant effect on the pupils' educational intentions. In estimating the rate of (private) return from higher education one often ignores the individuals who remain un-employed with the credentials. This bias may over-estimate the rate of private return at the macro-level.

Parikh (2002) on Education Policy, Goals, Actions, and Reforms suggests that the number of institutions of quality for

higher education should increase so that all those capable of becoming high-quality professionals have the opportunity to do so.

Strydom and Fourie (1999) provide a historical overview of the development of higher education research in South Africa by focusing on achievements and conditions, and present and future challenges. An attempt is made to point out the changes in both the context and paradigm of higher education research. They illustrates how research foci and methods were shaped by the political agenda of the 'old' South Africa, and highlight the issues which higher education currently and in the future will have to address as part of the transformation process of not only higher education, but of South African society as a whole.

Duggan (1997) on the role of international organizations in the financing of higher education in Cambodia found out that during the 1960s, when Cambodia dedicated 20% of its annual budget to education, a higher education system was put in place for the first time in Cambodia's 2000-year history. High quality universities were built in Phnom Penh and in a number of Cambodia's wealthier provinces. In the early 1970s, Cambodia entered a long period of civil war. All universities except the

University of Phnom Penh were leveled during these wars and because of the Khmer Rouge Regime; the entire education system was dismantled. The Vietnamese occupation of Cambodia in 1979 saw an immediate restoration of the education system except higher education. It has only been over the last few years that the higher education system has received meaningful support. Although the higher education system requires significant local and international financial assistance, the system remains heavily underfunded and unresponsive to alterations in the labour market. Further, he examines provisions for higher education and discusses the issues, gaps and constraints facing the system in the lead up to the year 2000. It notes that despite heavy student and social demand for higher education, international financiers have not been enthusiastic about restoring the system. This omission is not consistent with developments in higher education throughout the region.

Humphreys (2000) found out that spending on higher education constitutes an important and increasing portion of state government spending and a major source of operating funds at public institutions of higher education. Anecdotal evidence suggests that state appropriations are subject to cyclical variation. An analysis of state appropriations to higher education and state

specific measures of the business cycles for all 50 states over the period of 1969-1994 shows that each state appropriation to higher education are highly sensitive to changes in the business cycle. A 1% change in real per capita income was, on the average, associated with a 1.39% change in real state appropriations per full-time equivalent student enrolled. This implied decline in state government funding, coupled with the increase in enrolment in higher education during recessions reported by Betts and McFarland (1995), suggest that public institutions of higher education may experience fiscal stress during economic downturns. These results also suggest that state legislators and education policy makers should reconsider their higher education funding policies during recessions in order to allow public colleges and universities to provide dislocated workers with access to quality education and training during these periods.

Berger and Kostal (2002) on financial resources, regulation and enrolment in US public higher education find that while total financial resources for higher education have been rising, there has been a significant shift in the share of resources coming from tuition and fees and a decline in the share coming from state appropriations. They seek to understand the enrolment

consequences of the shift and to explore policy options using the results of a two-stage least-squares model of the demand for and supply of enrolment in public higher education. They estimate the model using 1990-95 data for the 48 continental US States. Tuition, average wage levels, and average education levels significantly affect enrolment demand, while state appropriations, other revenue, number of institutions, and the level of regulation significantly affect enrolment supply. Our simulations of policy options illustrate the difficulty of maintaining enrolment levels in the face of tuition increases. If tuition continues to rise, states are faced with reducing supply through lower state appropriations, or attempting to maintain current supply by increasing the amount of regulation in higher education.

Gayle, Berridge and Davies (2002) attempt to present an example of the kind of detailed research necessary to identify factors associated with low rates of participation in higher education by some groups of young people. A number of studies have suggested that in addition to educational attainment, issues such as social class, gender and parental education also influence a young person's likelihood of entering higher education. They undertake explanatory analysis of a series of nationally

representative data and through statistical modeling, then identify factors that influence a young person's chances of entry into higher education and participating on a degree level course. Through sample enumeration, an innovative statistical methodology, we are able to quantify the substantive effects of these factors. They found that net of educational attainment a number of factors (e.g., gender and social background variables) influence the likelihood of a young person entering higher education and participating on a degree level course. In addition, the study highlights the interwoven effects of parental education and schooling and we discuss the complex nature of the effects of ethnicity.

Marginson and Rhodes (2002) offer an overarching analytical heuristic that takes us beyond current research, anchored in conceptions in national states, markets, and systems of higher education institutions. They seek to shape comparative higher education research with regard to globalization in much the same way that Clark's "triangle" heuristic has framed comparative higher education research in the study of national policies and higher education systems. Our "glonacal agency heuristic" points to three intersecting planes of existence, emphasizing the simultaneous significance of global, national,

and local dimensions and forces. It combines the meaning of "agency" as an established organization with its meaning as individual or collective action. The study critiques the prevailing framework in cross-national higher education research, addressing the liberal theory that underpins this framework, the ways scholars address the rise of neo-liberal policies internationally, conceptual shortcomings of this work, and emergent discourse about "academic capitalism". They then discuss globalization and our heuristic. Finally, they provide examples of how states, markets, and institutions can be reconceptualised in terms of global, regional, and local agencies and agency.

Brint (2002) looking at the data on higher education in the United States brought out that data resources for the study of higher education are generally very good. This is particularly true for the studies of students, faculty, institutional quality, and financial resources. He provides a catalogue of existing data resources, including comments about limitations in the quality of some data sources. They also discuss data resources needs for the future. These needs will focus on key changes in higher education: the rise of for-profit enterprises and private resources, new markets for postsecondary education, new instructional

technologies, and changing social partnership activities. The study concludes by describing a number of studies that could be conducted using data on higher education to address issues high on the agenda of students of the non-profit sector.

Ross Baird (2009) across the world, millions of poor families are sending their children to schools with fees as low as $1/month. In the city of Hyderabad, 73% of families in slum areas send their children to private school. This report examines private enrollment throughout India to explain why private schools for the poor exist and in which cases they are most likely to have the largest effect on enrollment. Covering every state and region of India, the study utilizes a macro-level analysis of various independent factors such as government spending on education, political opinion, economic data, and cultural variables to determine their relationship to private schools in the developing world. In addition, case studies in Hyderabad and Mumbai trace the history of school development.

Desai,Dubey,Vanneman,Banerji (2008) Throughout the 20th century, as the role of the state grew in industrial societies and as many third world countries obtained

independence, it has come to be universally accepted that education is one of the core functions of any mature civil society and has resulted in massive expansion of publicly provided education (Meyer et al. 1977). However, a growing dissatisfaction with the quality of public education has led to an increased focus on private education resulting in a spirited debate. In this section, we review the following dimensions of the public-private education debate: (1) International school effects debate; (2) Research on the quality of public and private schools in India; and (3) Policy alternatives under consideration.

Fuller 2003 stated that unfortunately, the advocacy for private education has fast outpaced the available research base in this area and none of these assumptions can be easily substantiated. Since parents who are able and willing to send their children to private schools tend to be highly educated themselves and value educational attainment, it is difficult to say that it is private school enrollment per se that causes the observed differences in skills between children in private and government schools. When effect of government funded by privately managed charter schools in the United States are

compared with government schools, results do not show substantial improvement in student performance.

This brief review suggests that while dissatisfaction with performance of public schools in providing education is an important driving force behind the advocacy for private schools, research in this area must carefully evaluate the evidence before engaging in policy prescriptions. While private schools have mushroomed in many parts of India, including rural India, whether they can be effectively utilized to provide a viable alternative to public education remains open to question and forms the topic of this research. The literature reviewed above is useful in shaping the questions, but answers will depend on educational conditions on the ground in India.

3.1. INTRODUCTION

Education in Mizoram in modern sense of the word may be said to date back from the year 1893 when the British established a school after occupying the hills in 1890. Although the school was started by the British, the real foundation on education was laid by the Christian Missionaries who in the beginning faced a practical problem due to lack of a script in the native language. But the problem was soon solved by reducing the language to writing by adopting the Roman script. In this connection it may be mentioned that according to the traditions, the Mizos, like other tribes had a script written on an animal's skin which was, however, devoured by a dog due to their negligence. In developing the oral language to writing, the role of Col.T.H. Lewin is so significant because he had already made an attempt in this venture even before the arrival of the missionaries into the hills. The missionaries rather, continued and took up the work left by Col. T.H. Lewin. They not only brought a script into language but their vision and efforts thus began the process of formal education in Mizoram.

3.2. EDUCATION IN MIZORAM BEFORE THE BRITISH

It is a fact that there was no formal education in Mizoram before the advent of the British. Further, it is a fact that modern system of education in India was brought by the British. Therefore, in Mizoram, like other places in India, the idea of schooling for children did not arise in the minds of the people. However, the indigenous methods of instruction were so systematic that in

many respect they were more effective in terms of moulding the lives of the people in the society than the methods being applied under the system of formal education. Due to lack of script, the language was oral and could not be communicated through writing, yet the education the children received was more practical as they learnt through actual participation in the works of the elders and parents. The different agencies through which the Mizos undertook their education in the past were:

Home like today, even in the past, the home was the most effective agency. Home is the oldest form of organization known to man.

Home child learnt the first lesson of citizens in the family and received good training in discipline and self-control. Home was the place where the child learnt to obey authority and showed respect to elders. This is very true till today. Home, in which the family members are closely knitted together with a high sense of mutual respect, responsibility and team spirit, is the potential teacher of the society.

Meal Time was the time when parents instructed the children about morality, civic sense etc. The father, being the head of the family, would distribute the work for the day. So, the head of the family played the role of a teacher.

Zawlbuk, the "bachelors' house" was, perhaps, the most important agency so far as the indigenous education of the Mizos was concerned. It provided equal opportunities to the youth to learn co-operation, fellow-feeling, tolerance etc. It was the nerve centre of the Mizo society and shaped the youth, into a

responsible member of the society. The *Zawlbuk* provided its inmates with a uniform system of code of conduct and discipline. The initial forced discipline exercised in the conduct and affairs of the *Zawlbuk* inmates took permanent root in their personality structure. As a matter of fact, *Zawlbuk* inmates served as a standing army or the Chief who himself was the Commander-in-Chief. Thus, the boy grew up to become more useful for the society than for the family in which he was born. This gave rise to a very closely knitted Mizo society where each one was for all and *vice versa.* Therefore, *Zawlbuk* was an important and indispensable informal education institution.

Tlawmngaihna, the Mizo ideal of manhood is a moral code of principle which meaningfully shaped the life of a Mizo youth in the past. The code covers all good qualities which a man is expected to possess. *Tlawmngaihna* is so precious that in the past the people very much valued it and it is very deeply rooted in the Mizo society. In the past, *Tlawmngaihna* knitted different works of life together in a society without discrimination and prejudice. The desire to acquire the spirit of *Tlawmngaihna* thus ruled the hearts of every one because it was the highest award which everyone had a hankering to receive in his lifetime in one way or the other. A man who practiced the precepts of *Tlawmngaihna* was looked upon with admiration and highly respected in society. This is still true even today. Parry remarks thus, “Tlawmngaihna” therefore, deserves every encouragement, as if it were allowed to fall into disuse, it would be most detrimental to the whole of the tribe.

Hunting was another area where a Mizo youth was trained as a responsible person in the society, Mizos loved hunting. They went for hunting for two purposed. Firstly, for religious purposed. Secondly, they did it as a sport and also for the meat. Hunting for the chase of an elephant was the most favourite game of the people. They moved for man mile camping for days and months. During the whole period of hunting for an elephant the leaders of the group secretly observed each individual and made an assessment on the personality of each individual. Though secret, every one knew that he was being watched by his elders. Knowing this, all young men were so smart that each of them made the utmost efforts to surpass and outdo all the others in every thing they did. Therefore, hunting was yet another centre for learning and training through which the youths were disciplined and shaped as men.

3.3. EDUCATION UNDER THE BRITISH

In Mizoram formal education was introduced by opening a school in 1893. The school was meant for the children of sepoys who were serving in Mizoram. A Military Police *havildar* was employed as a teacher and paid a staff allowance of Rs. 5/- per month in addition to his regular pay. Hindi was the medium of instruction. Similar schools were also opened at Lunglei and Demagiri, *(now* Tlabung). But before 1898, the school at Demagiri was under the school authority of the Chittagong Division.

Meanwhile, it may be noted here that the two missionaries, James Herbert Lorrain and Frederick William Savidge, having reduced the language

into writing, opened one school on 1st April, 1894 with two pupils. Simultaneously they also started Bible Schools for which more attention was given. But the school was soon abandoned for they wanted to complete the translation work before they moved into their new assignment in Abor country, now the North Eastern State of Arunachal Pradesh.

It is a fact that education was not the main objective of the British administration. As such, the Government establishment school for the Mizo children only seven years after their coming. In 1896, A. Porteous, then Political, submitted a proposal to the Secretary to the Chief Commissioner of Assam for sanctioning grant for the establishment of one school for the benefit of Mizo children. In his proposal Porteous further suggested that very soon Bengali would make its way into use as the language of trade and official intercourse. He, therefore, strongly recommended that "the initial step of starting a Government School to teach Bengali in the first instance and later British should be taken as soon as possible". But the government, as pointed out earlier, paid little attention to education consequent upon this Porteous again in 1897 dispatched a strong worded note to the authorities. There he writes: "I desire to point out that, although it is now seven years since Aijal (now Aizawl) was occupied, nothing whatever has yet been done by government in the way of commencing to educate the Lushais". Thus, on the basis of this dispatch the government school was established on 21st August, 1897, with Kalijoy Kavyatirtha as the headmaster. The management of the school was put under a

committee of three persons. The committee would submit proposals to the Superintendent for sanction of funds for the management of the school.

As noted before, the two missionaries were replaced by Rev. D.E. Jones of Welsh Mission. He was sent by the missionary authorities in London and arrived in Aizawl on 10th September, 1897. The two missionaries after staying together with D.E. Jones for months handed over the work to him on the last day of 1897 and went to England for furlough. D.E. Jones thus reopened the school on 28th February, 1898. Hence, from this day onward the management of the school was in the hands of the Welsh missionaries.

It may be pointed out that right from the beginning till 1902; the education in Mizoram was under the control of the Superintendent but managed by the department.

In the history of education in Mizoram, the year 1903 is a milestone. In this year the Chief Commissioner visited Aizawl and he instructed the Superintendent to submit proposals to hand over the education of the district to the missionaries. Accordingly, on 1st March, 1903, all the Government schools on Mizoram were placed under the supervision of the mission. The charge was taken over by Rev. E. Rowlands who was appointed as an honorary Inspector of all Government schools on 29th December, 1903 His considered experience in school management was expected to be beneficial to the cause of education in the district (*present* Mizoram State). The schools where the children of sepoys were studying would be transferred to the Mission only at such time when the

children attained proficiency in Mizo language. But no religious instruction was to be imparted to the children studying in government schools. Thus the whole process was completed only in 1905-1906.

The number of schools was also, meanwhile, increased in the whole district when the government permitted the district authority to open five new schools every year upto the maximum of 20 schools. As a result, new village schools were opened and by 1903, there were 15 schools in North Mizoram. Of these schools 6 were in Aizawl town and the remaining schools were village schools.

For the first time in the history of education in Mizoram, the school authorities conducted the Lower Primary Examination on June, 1903. Out of 19 candidates 11 candidates came out successful. The second examinations were held the next year and out of the total 29 candidates, the number of candidates who passed the examination was 23. To encourage the students the government of Assam accorded sanction for the award of 8 Lower Primary Scholarships annually, the value of which was Rs. 3/- per month tenable for two years in the Upper Primary classes. The scholarship would be awarded to the students on the result of their performance in the examinations to be held by the missionaries. The main purpose of the award was to help in increasing the number of Lower Primary Schools in Mizoram. Those, who qualified for the scholarship, were to be sent out to start new schools in the villages. In 1913, three Upper Primary Scholarships for the whole of Mizoram were created. Accordingly, a special scholarship amounting to Rs. 4/- per month for two years was sanctioned. The

awards were only for three boys. The awardees were to be nominated by the Superintendent. It was meant for the students of the Mission Middle British School at Aizawl.

In 1904, the Upper primary School was introduced and the course of studies was also made. The course was prepared by the Director of Public Instruction in consultation with the Superintendent of the Lushai Hills.

Meanwhile, a new development took place in Lunglei Sub Division. Savidge and Lorrain returned to Lunglei on 13the March, 1903 as Baptist Missionaries and they started opening of schools to train a few students to be teachers at village schools. In February, 1904 the Chief Commissioner of Assam paid a visit to South Mizoram and Savidge was appointed on 9th October an Honorary Inspector of Schools for Lunglei Sub-Division. Thus the whole Mizoram was placed under two separate Inspectors of Schools. The charge of education of the Lunglei Sub-Division was also transferred to the Baptist Mission and the process was completed in February, 1905. This system continued till 1952.

The numerical growth of education in the form of schools between 1908 and 1947 was remarkable. In 1908 – 09 there were only 2 Middle British Schools (Upper Primary) and 15 Lower Primary Schools with 799 pupils on the rolls. Within the next twenty years the number of schools and pupils was more than thrice of that number. The number of Lower Primary Schools (upto class III) was 114. The total number of students in the school was 3642. There were 5

Middle British Schools with one Middle Vernacular School, and the number of Primary Schools was 221. For the same period the number of pupils on the rolls was 9606. In addition to the existing Middle British Schools, the authorities opened in 1944 more Middle Schools known as Middle Anglo-Vernacular Schools at some selected villages. With this, when India attained independence in 1947, there were 254 Primary Schools and 11 Middle Schools in Mizoram.

It may be interesting to note that a High School was established in 1944 amidst a great debate. Both the Government and the mission were against the idea of having a high school in Mizoram. The missionaries were satisfied if the Mizos could read the Bible whereas the Government was aware of the unemployment problem. McCall was of the view that higher education would create an elite group in the society. In spite of a strong objection, however, in 1931, the Mizo Chiefs asked the government to establish a High School and the matter was raised by H.W. Carter, a Baptist missionary at Lunglei, to the hill Education Conference held at Shillong in 1953. The Lushai Student Association also submitted a memorandum to the Governor of Assam in 1941 and delegates were sent to Shillong to pursue the matter. But the school was stated by McDonald in 1944 as a reward for the role played by the Mizos in the Second World War. The first school was opened on 23rd February, 1944 with 56 students. The first batch for matriculation appeared in the examination in March, 1948. The total number of candidates that appeared was 25, out of which 17 students passed successfully. In 1948 one more High School was

established at Lunglei, followed by Gandhi Memorial High School at Champhai in 1950. St. Paul's High School was founded by the Holy Cross Society in 1954.

3.4. EDUCATION IN FREE INDIA

The education system and development underwent a radical change after India achieved independence. In 1947 the government of Assam created two posts of Sub-Inspector of Schools for North and South Mizoram. The first incumbents joined their duties at their respective places in November, 1949.

The political development which took place in 1952 also affected the education system in Mizoram. As noted earlier, the Lushai Hills District was formed as an Autonomous District Council on 25th April, 1952. As a result, certain powers were vested in the Council and this atomically changed the system of education. The post of Deputy Inspector of Schools was created and the first incumbent Lalchungnunga joined duty on 1st May, 1952, and the primary education was left in the hands of the Council. The Council thus appointed a body called "Primary Education Commission" with an objective to calk out the modalities as to when and how the education would be taken over by the Council. There were 6 members in the Commission. The Council also constituted a Board of 7 members to look after the Middle and Primary Leaving Certificate Examinations. The Board came into force on 1st August, 1954. The Board had conducted examinations until the Mizoram Board of School Education was constituted in 1976. The Council authorities also formed an

"Advisory Test Book Committee" to select and prescribe test books for use in the Primary and Middle Schools. The Committee consisted of seven members.

Meanwhile, the number of schools increased tremendously. To cope with the rising number schools, the administrative infrastructure was also built up. Thus in 1956 a post of Deputy Inspector of Schools for South Mizoram was created and posted at Lunglei.

In the history of education in Mizoram the year 1961 is yet another milestone. By this year the Assam Government handed over the primary education to the Council with effect from 1st August. Accordingly, the Council appointed one Education officer with supporting inspecting and ministerial staff, and looked after the Primary Education. An Executive Member in-charge of education was the head. The officer, Thanthuama of Kulikawn was assisted by the Sub-Inspector of Schools and the Assistant Sub-Inspector of Schools. When the Council assumed responsibility, there were 629 Primary Schools, 113 Middle Schools, 10 High Schools and 1 higher Secondary School. Correspondingly, there were 39950 and 6672 students in Primary and Middle Schools respectively. However, in High Schools and Higher Secondary Schools there were about 1864 students.

In 1967 the whole district was divided into four Circles for convenience of administration. The Circles were Aizawl East, Aizawl West, Lunglei and Chhimtuipui. Each circle thus had its own Deputy Inspector of Schools.

3.5 EDUCATION UNDER THE UNION TERRITORY

Real progress and development in education was made only after Mizoram become a Union Territory in 1972. As a result, the structure of the whole educational set up was overhauled and reorganised through the newly formed Directorate of Education which began to function from 1st July, 1972. The Directorate was initially manned by a Director, a Joint Director and three other Deputy Directors. To implement various schemes, a number of State level officers were also appointed *viz.* (a) Science Promotion Officer, (b) Senior Research Officer, (c) Special officer (Scout & Guides and Sports & Games) and (d) State Social Education Officer now called Joint Director Adult Education.

Consequence upon Mizoram being upgraded to Union Territory was revocation of the Mizo District Council Act of 1952. As a result, the Primary Education was taken back by the Government from 29th April, 1972. This gave a sigh of relief to the teachers who could not get their pay regularly under the District Council. It may be recorded that on the day the Primary education was taken over by the Government there were 425 Primary Schools with 60375 pupils. There were 184 Middle Schools with 19604 students. At the same time the number of High Schools was 90 and the strength of the students was 7840. Meanwhile, the number of higher Secondary Schools, however, remained the same but the number of students rose to 421. At the same time, the corresponding strength of the teachers in Primary Schools was 1310, 784 in Middle Schools, 395 in High Schools and 36 teachers in Higher Secondary Schools.

Another landmark in the history of education in Mizoram was the constitution of the Mizoram Board of School Education (MBSE) in 1976. The Board was made under the Act of 1975. it became a statutory body on 25 march, 1976. The board now looks after all the School Leaving Certificate Examinations. Also with this, the term of the Advisory Text Book Committee came to the end. As a separate entity, the MBSE first conducted the Primary and Middle School Leaving Certificate Examinations in 1977 and the next year the High School Leaving Certificate Examination was also conducted.

In June of the same year, the designation of Inspector of Schools was re-designated as District Education officer. In the same way, the Deputy, Assistant and Sub-Inspector of Schools were also correspondingly re-designated as Assistant District Education Officer, Sub-Division Education Officer and Circle Education Officer. In 1983, Aizawl District was divided into two educational districts as Aizawl East and Aizawl West. With this, there are now four District Education Officers.

3.6 EDUCATION UNDER STATEHOOD

By 1986, when Mizoram attained statehood more than 98 per cent of the rural habitations had Primary Schools within the habitation. By 1999 there was a Middle School for each 1.73 Primary School and one secondary school for each 2 Middle School.

In order to improve the standard of Education in Mizoram, the Government passed a number of rules, regulations etc. Some of the important innovations may be mentioned as follows:

1. The Mizoram Aided High School and Middle School Management Rules, 1990

2. Mizoram Aided School Contributory Provident fund Regulations, 1990

3. Mizoram Aided School Employee's (Death-cum-Retirement Gratuity Rules, 1990.

4. Mizoram Pre-Matric Merit Scholarship Rules, 1990

5. Mizoram Grant-in-aid to Non-Official Voluntary Organisation Rules, 1990

6. Mizoram Middle School and High School (Provincialization) Rules, 1990.

On the basis of the recommendation of the National Policy on Education, 1986, the Government of Mizoram also implemented a new scheme known as 'School Complexes', otherwise known as 'Comprehensive School Scheme'. For experimentation the committee selected 20 schools but the real implementation was done by the Stat Council of Educational Research and Training. The scheme was introduced in Mizoram with effect from 31st January, 1991.

In 1995 North Eastern Hill University (NEHU) handed over the Higher Secondary to the Directorate of School Education. This has increased the

burden of education on the Department. As a result, Higher Secondary Schools were opened to accommodate those students who had passed matriculation. Now, according to the statistics, by the year 2000, there are 20 Higher Secondary Schools with 308 teachers and the number of students being enrolled is 6401. Similarly, there are 370 high Schools with 2776 teachers and the number of students is 38570. The number of Middle Schools has also increased tremendously. There are 757 Middle Schools with 50971 students and there are 4945 teachers. Meanwhile, the number of Primary Schools is 1263 and the number of teachers is 4882 and there are 106, 165 students. Besides these, there are a good number of Schools of different levels solely run by the Missions and the private owners. The number of such Schools is not included in the records being maintained by the Directorate.

Adult Education, as it is understood, is an educational programme for adults outside formal education. Its main objective is to impart literacy to all illiterate adults. In Mizoram, it was first instituted as Social Education Wing in 1972 and the term was substituted as 'Adult Education' on 2nd October, 1978. In 1985, the post of Joint Director, Adult Education Wing was created. He is assisted by a number of Officers.

Regarding Higher Education in Mizoram, the first college called 'Aizawl College' was founded on 15th August, 1958. The first Principal was Rev. Bro. Godfrey, the Headmaster of St. Paul's High School. In 1958 the college was christened Pachhunga Memorial College, now called Pachhunga University College. In 1979, NEHU Mizoram Campus was opened at Aizawl,

which was upgraded to a central university known as Mizoram University and started functioning on 2nd July, 2001. At present there are 27 colleges affiliated to Mizoram University and one constituent college i.e., Pachhunga University College. In some Government Colleges, Science is offered as one of the streams.

There are a number of Training Institutes in Mizoram. The District Institute of Education and Training is a district level institute and the medium of instruction is Mizo. There are two such training institute in Mizoram, one in Aizawl and the other is located at Lunglei. The College of Teachers Education, known before as 'Mizoram Institute of Education' is the State level institute giving training to teachers with British as the medium of instruction. It is under the Directorate of Higher & Technical Education.

Meanwhile, the State Council of Educational Research and Training was set up in 1980 with a view to arranging and organizing in-service training to teachers to produce and develop text books and other reading materials. It is now functioning as a separate established but the real control is in the hands of the Director of School Education.

Pre-School Education is a recognized international phenomena. In Mizoram Miss K. Hughes started in 1926 which she termed as Class A and Class B. At the same time a Nursery School of Class A and B was also set up at Lunglei. With this small beginning, by 1972 there were 25 Pre Primary Schools. Now, with the mushroom growth of British Medium Schools in Mizoram, pre-

schools are also amazingly increased. In Vernacular Schools they are called Class A and Class B but in British Medium Schools the same classes are called KG-I and KG-II. The growth of schools till 2008 is depicted in the following table:

The Directorate of Education was established in 1972 with one director of education and other supporting staff. The various wings of the department were streamlined and strengthened with state level officers, as respective head of offices. These are (a) General Administration (b) State Social Welfare Officer, (c) Science Promotion Officer, (d) Senior Research Officer, (e) Special Officer (Scouts and Guides & Sports and Games), (f) Joint Director Adult Education, (g) Curator of State Museum etc. Apart from this, the HSLC, MSLC and PSLC were under the inspector of schools till MBSE was established in 1976.

With the various wings under its Department, the administration has become a big burden for the Directorate of Education; therefore Social Welfare Wing was established as a separate Directorate in the year 1984. Later, the Sports Wing was also established as a separate Directorate in the year 1986. In 1989, the Department was trifurcated into 3 directorates namely, Directorate of School Education, Directorate of Higher & Technical Education and Directorate of Art & Culture.

Table 3.1: Growth of Schools in Lushai Hills (Mizoram)

Year	P/S	M/S	H/S	H.S.S
1894(Beginning)	1	Nil	Nil	Nil
1903	3	Nil	Nil	Nil
1947(Independence)	258	22	2	Nil
1972(Union Territory)	425	184	70	Nil
1973	470	207	91	Nil
1974	487	213	99	Nil
1975	510	213	99	Nil
1976	510	207	103	Nil
1977	510	224	108	Nil
1978	514	234	111	Nil
1979	516	245	114	Nil
1980	545	278	124	Nil
1981	655	303	132	Nil
1982	840	351	139	Nil
1983	880	379	143	Nil
1984	927	394	143	Nil
1985	1000	415	143	Nil
1986	1017	443	154	Nil
1987(Statehood)	1032	447	162	Nil
1988	1053	498	180	Nil
1989	1084	522	192	Nil
1990	1109	545	202	Nil
1991	1118	546	227	Nil
1992	1066	553	273	Nil
1993	1082	609	281	Nil
1994	1145	656	289	Nil
1995	1254	694	313	Nil
1996	1263	702	300	16
1997	1318	733	302	18
1998	1244	726	339	18
1999	1226	748	352	24
2000	1224	735	283	30
2001	1377	851	370	33
2002	1504	911	409	47
2003	1504	908	443	71
2004	1481	939	448	67
2005	1688	1121	484	76
2006	1700	1081	502	80
2007	1752	1090	508	82
2008	1783	1253	502	86

Source: Statistic Wing, Directorate of Education

Recently, SCERT was also established as a separate Department in the year 2008. The Directorate of School Education (DSE) is responsible for administration, supervision and coordination of educational activities at the directorate level. There are various cells/wings under this department looking after various activities.

Adult Education Wing:

With the establishment of the Department of Education in 1972 when Mizoram attained Union Territory, the Social Education Wing exists as one of the wings under the Directorate of Education (now School Education). The term Social education was renamed as Adult Education in the year 1983. This wing is now headed by Joint Director, Adult Education under the guidance and control of the Director of School Education. The Joint Director is assisted by one Assistant Director (Monitoring) and one Assistant Publication Officer and other ministerial staff. At present there are three District Adult Education Officers for the entire state.

With regard to literacy, the period 1966 to 1972 can be said to be the darkest period because Mizoram had undergone insurgency period and very little progress could be made during this period. Certain development and progress towards literacy could be initiated only when the Directorate of Education was created in 1972.

The Adult Education Wing took various steps to promote literacy in the state.

(1) Social Education Centres:

In order to promote literacy, the then Social Education Wing established 20 Social Education Circles with 20 Main Centres in 1974. Each Main Centre had 3 sub-centres; therefore, there were 20 Main Centers and 60 Sub Centers. The main centers were looked after by Social Education Organizers later re-designated as Circle Adult Education Officers. These centers had separate building of their own and the aim of establishing these was to disseminate and inculcate into the minds of the people the needs and importance of literacy. Classes were held at night among the public. They were taught the art of reading, writing and simple numerals, and are also made aware of the importance of having latrine, immunization etc. These activities were performed with the help of NGO's such as Young Mizo Association (YMA), church activists and political organizations. Cultural activists and social works such as cleaning of village roadside, cemetery, water fountain, and playground construction were performed with the local people. Apart from different sports materials, petromax, lanterns, kerosene oil, candles, teaching/learning materials such as exercise books, pencils, blackboards, chalks, reading materials etc. were provided to them. A weekly bulletin was published by each of the 20 Main Centers, and each Center send a copy to Headquarter, Adult Education wing at Aizawl regularly. For this, the department provided duplicating machine,

typewriter and other necessary publication materials. There was a library in each Main and Sub-Centers and library books were supplied from the department.

In each Sub Centre, one villager was engaged as ‘helper’ whose duty was to maintain Library in the sub centers, identify illiterates and animators with the co-ordination of local NGO’s and provide assistance to Social Education Organizers as and when required. The Main Centers were later converted into Circle Adult Education Main Centers and the Sub Centers into Adult Education Sub Centers in the year 1983.

(2) Adult Education Centers:

The establishment of main centers with 3 sub-centers was considered inadequate as it was felt necessary to reach the people in the remote and interior villages. Therefore, Adult Education Centers were temporarily established in the nearby villages for a period of one year. In these Centers, illiterate adults were taught reading, writing and simple numerals. There were no library books in these centers, as these centers were set up only for places of teaching and learning. These centers solely rely upon the NGO’s of the locality. Being temporary, the centers were closed down after one year and opened from time to time in other villages depending on the availability of illiterates. A sum of Rs. 10/- was given to the instructors identified by the NGO’s for making one illiterate person literate and Rs. 5/- to the new literate as a token of appreciation. Also after verification by an adult education officer, a big pot (dekchi) would

every time be awarded to a village once they declared themselves totally literate.

(3) Each one teach one:

The literacy drive still failed to reach many illiterates even though Adult Education Centers are running in their own village. This is because many illiterates could not attend the literacy classes as they had to work in the field (jhum) from down to dusk and many illiterates are housewives having small children and very busy with domestic chores that they could find no time to leave the Centers was considered inadequate. Hence a new scheme called *'Each one teach one'* was introduced in 1990. A village Education Committee was formed in every village with the village council president as its chairman. The committee conducts adult illiterate survey, identity volunteers, match animator and learners and arrange suitable place for teaching/learning. When the animators considered their learners fit to face examinations, they report it to the committee and the committee conducts tests on reading, writing and simple numerals. Then this report was submitted to the Adult Education Wing which is then verified by the Circle Adult Education Officers. An honorarium of Rs. 100/- was given to each animator for making one illiterate person literate. One animator is allowed to teach a maximum of 5 illiterates at a time. An incentive award was also given to all new literates in the form of books.

(4) Vocational School for adults:

One Vocational Education School had been started in Aizawl in 1984 so that adult learners would have a chance to undergo vocational training during their leisure time and thereby develop their occupational skills to enhance their daily earnings. Trades like carpentry and hollow block making had been started. Local carpenters were engaged as instructors and most of the successful trainees found jobs as craft teachers while some established private carpentry workshop. The school was closed down in 2000 for want of students and also due to financial constraints.

(5) Experimental Adult School:

Two adult schools had been started in Aizawl and Lunglei District on experimental basis in 1980 to enable the neo-literates to prosecute their studies and improve their literacy competency. But the schools were closed down in 2000 due to financial constraint and the teachers were absorbed as Primary school teachers by the state government.

Rural Functional Literacy Project (RFLP):

In 1978, a new programme called 'Rural Functional Literacy Project' (RFLP) was started by merging the Farmers Functional Literacy Project (FFLP) and the ongoing scheme of Non Formal Education (NFE) programme. This programme intended to mobilize and involve all sections of the society to promote and implement an effective scheme of Adult education. The project was a Centrally Sponsored Scheme (CSS) and was meant for a period of 5

years. After a lapse of 5 years, in 1984, the project was taken over by the State Government and the incumbents were absorbed in the department.

Continuing Education:

A total literacy campaign was launched in the year 1990-1991. Prior to this campaign, a series of activities such as establishment of 38 Jana Shikshan Nilayam (JSN) for cluster villages, organization of Mass Programme for Functional Literacy Project (MPFL) were conducted during 1980 – 1988. The then Rural Functional Literacy Project (RFLP) also took active part in the movement. As a result the state achieved a high literacy percentage. Understanding the tremendous achievement made by the department and in appreciation of the high literacy percentage attained, the Central Government directly introduced a new Scheme called Continuing Education in the year 1997-1998 under Centrally Sponsored Scheme (CSS) for 40 Nodal Continuing Education Center & 360 Continuing Education Centers. Consequently, the existing Circle Adult Education Main Centers and Adult Education Sub Centers were merged into NCEC and CED respectively. The scheme includes post literacy for neo-literates and school drop outs for retention of their literacy competencies, continuation of learning beyond elementary literacy, and application of this learning for improving their living conditions. The scheme is monitored and looked after by Adult Education Wing of School Education department. The Adult Education Wing has 3 District offices manned by District Adult Education Officers. They are (i) Aizawl East District, (ii) Aizawl West District, (iii) Lunglei District.

The following table shows the growth of literacy percentage in Mizoram based on the Government of India Census:

Table 3.2: Growth of Literacy percentage in Mizoram

Year	Percentage
1901	0.92 %
1911	3.98 %
1921	6.28 %
1931	10.54 %
1941	19.48 %
1951	36.23 %
1961	44.00 %
1971	53.79 %
1981	59.88 %
1991	82.27 %
2001	88.8 %
2011	91.53%

Source: Adult Education Wing; Directorate of School Education

The table above shows the steady increase of literacy in Mizoram since 1901. There can be a number of factors responsible for this phenomenal increase; such as:

(i) Christian religion and literacy seems to be going hand in hand among the Mizo people. It was the Christian missionaries who introduced education among the Mizo people. They reduced Mizo language to writing by adopting

the simple Roman script and composed the Mizo alphabet. They translated scriptures from the Bible and taught the Mizo people how to read and write. They started opening schools as more and more converts desire to become literate to enable them to read the Bible and to sing songs from the hymn books. So the Missionaries of Mizoram played a very important role for the rapid increase of literacy among the Mizo people.

(ii) Those who could not attend regular schools would learn how to read and write from Sunday schools which was organized by all the churches. As a result, adult illiterates and women who dit not have the chance to attend regular schools become literate. So Sunday schools are also important factor in the spread of literacy among the Mizos.

(iii) The voluntary organizations such as Young Mizo Association (YMA), Young Lai Association (YLA), Young Chakma Association (YCA), Mizo Hmeichhe Insuihkhawm Pawl (MHIP), Church Organisation such as Kristian Thalai Pawl (KTP), Thalai Kristian Pawl (TKP) etc plays a vital role as they are the most important functionaries in spreading Literacy in the state.

(iv) The initiative taken by the state government in promoting literacy plays a significant role in the rapid increase of literacy in the state. A massive literacy campaign was launched during 1990-1991 in the entire state where all Government officials irrespective of departments were instructed to involve in this Literacy drive. The fruitful result of this launch can be clearly observed as there was a rapid rise in Literacy percentage during this period.

(v) Most of the inhabitants of Mizoram speaks one language called Mizo dialect and also uses the same alphabet. Due to this homogeneity, it was very easy to disseminate literacy awareness among the people, hence increasing literacy at a very fast rate.

(vi) Mizos are living in a society which is free from discrimination between clans and caste system. Generally both males and females from different clans whether rich or poor study collectively in the educational institutions. They do not seem to face any inconvenience with regard to such discrimination. This certainly paved the way in spreading literacy in Mizoram.

The following table shows literate population and gender gap in literacy rate from 1951 onwards:

Table 3.3: Literate persons and Gender gap in Literacy rate in Mizoram

Year	Literate persons			Gender gap in literacy rate			
	Male	Female	Total	Persons	Males	Females	Gap
1951	44,375	16,718	61,093	36.23	46.15	16.7	29.45
1961	70,743	46,354	1,17,097	44.00	53.4	34.7	18.7
1971	1,03,324	74,469	1,78,793	53.79	60.49	46.71	13.78
1981	1,65,812	1,29,873	2,95,685	59.88	64.46	54.49	9.97
1991	2,51,551	2,10,379	4,61,930	82.27	85.61	78.6	7.01
2001	3,50,105	3,11,340	6,61,445	88.8	90.71	86.75	3.96

Source: Statistical Abstract of Mizoram 2007

From this table it can be seen that there is a gender gap in literacy rate in Mizoram. This gap has been narrowed down due to increasing awareness of literacy and education in Mizoram. As seen in the table above, the gap was narrowed down to 3.96 in 2001, which is much lesser than the national gender gap in literacy rate. Efforts are being made to eliminate the gender gap in literacy which is hoped to be fruitful in the near future.

3.7. EDUCATION IN AIZAWL CITY

Education plays a vital role for mental, physical and social development of the inhabitants of any town and city. In ancient times, towns and cities were known for the 'Seeds of Learning'. The first school and college in Aizawl was established in 1909 (1903 Presbyterian Church School popularly known as P.C Girls School was established in this year) and 1958 respectively. With this modest beginning the educational facilities multiplied very fast particularly after Union Territory.

Today the city of Aizawl has become an important educational centre not only for the State but for the whole North-eastern Region. The establishment and extension of the North Eastern Hill University Campus coupled with up gradation of Pachhunga University College, establishment of regional Para Medical Institute. In 2001, Mizoram had its own university with its campus located in Tanhril, Aizawl. Presently in Mizoram University there are 31 departments which are under 8 Schools. Being the highest educational institution in the State it has been engaging itself in research and projects works with various countries and also some international organizations like the UNO.

Table 3.4: Enrolment of Students in Mizoram (2008 – 2009)

Students' Enrolment												
Sl.No	Stage	Government		New Schools	Local Body	Schools Aided by Govt. & District Councils					Purely Private	Grand Total
		Central	State			Deficit	Council Deficit	Council Aided	Adhoc Aided	Lumpsum Aided		
1	Primary School	368	59936	7308	22390			2106			59791	151899
2	Middle School	723	29431	2366	4632	2129	1781	61	3001	1466	19297	64887
3	High School	434	19832			3262			8530	1978	10540	44576
4	Higher Secondary School	83	7151			2815			1002	725	2873	14649
	Grand Total	**1608**	**116350**	**9674**	**27022**	**8206**	**1781**	**2167**	**12533**	**4169**	**92501**	**276011**

Source: Annual Publication 2008-2009, Government of Mizoram, Department of School education

Table 3.4 *(i)* : Profile of Schools in Mizoram (2008)

Sl. No.	Stage	Number of Schools									Students' Enrolment					No. of Teachers			
		Government		New School	Local Body	Schools Aided by Govt. & District Councils					Purely Private	Total	Boys	Girls	Total	Male	Female	Total	Teachers Pupil Ratio
		Central	State			Deficit	Council Deficit	Council Aided	Adhoc Aided	Lumpsum Aided									
1	Primary School	2	854	133	286			22			486	1783	78992	72907	151899	4228	4488	8716	1:17
2	Middle School	7	534	124	95	10	35	1	66	34	347	1253	33863	31024	64887	5067	2687	7754	1:08
3	High School	4	199			9			129	31	130	502	22633	21943	44576	2713	1173	3886	1:11
4	Higher Secondary School	3	20			7			13	14	29	86	7482	7167	14649	598	460	1058	1:13
Grand Total		**16**	**1607**	**257**	**381**	**26**	**35**	**23**	**208**	**79**	**992**	**3624**	**142970**	**133041**	**276011**	**12606**	**8808**	**21414**	**1:12**

Source: Annual Publication 2008-2009, Government of Mizoram, Department of School education

3.8. CONCLUDING REMARK

In Mizoram the education imparted to the people before the coming of the British was as important as modern education. The role of *Zawlbuk* may thus be called 'formal education'. In introducing formal education the roles of the two agencies, the British and the Mission, are highly appreciated. But the two agencies had a different approach to education in Mizoram. Since education was not the sole objective of the administration it did not give it priority, thus leaving the whole management of education to the Mission. At the same time, the Missions had no further aim than making the native people to be able to read and write. Therefore, they had no intention of opening schools beyond the Middle School standard. The reminiscences of educational progress reveal that Mizos have a great passion for education and this has greatly surpassed the projections made by the State authorities in the field of education. It is a matter of pride that the Mizos have a high literacy percentage, even compared to the most developed States in India. On the other hand, a very significant thing to be noted is a lack of what is called 'technical education' in Mizoram. Virtually the only technical education Mizoram has today is the Polytechnic Institute at Lunglei and the Women's Polytechnic in Aizawl. The Government of India established a Veterinary Science College in Aizawl a few years ago and this was with the financial assistance of the North Eastern Council, Shillong. In fact, technical education is the area where the Government of Mizoram has to take a keen interest.

4.1 INTRODUCTION

The structure of schools in any area responds to changes in demand for educational facilities which in turn depends on population in relation to schools and teachers available to meet the demand. In other words, population is one of the most important determinants of the structure of schools in any townships or city; it generates demand for school facilities on the one hand, it supplies teacher and non-teaching staff to the school on the other. If in a particular area the ratio of population to school increases beyond proportion, the existing schools become stressed and pave a way to establishment of new schools. But when ratio of population to schools declines to a suitable proportion there may not be any incentive to start new private schools.

For the state of Mizoram, the total enrolment of students is 276011 during the academic session 2008-2009 which is about 27 % of the total population. Accordingly, the number of school – going population in Aizawl in the year 2008 is estimated to be around 99 thousand (99865). This is calculated on the basis of data collected by the Department of School Education in the State. It is likely, however, that the student population from the surrounding areas must be there in the schools at Aizawl. It is difficult to estimate the quantum of such student population, but it may safely be held that about 30% of the total student population may hail from the surrounding areas.

In Aizawl there are 218 government run schools including the newly opened school known as New Primary Schools under the Sarva Shiksa Abhiyan (SSA). There are over 180 private schools including deficit, adhoc, and

lumpsum aided schools (these schools are assisted by government in terms of teachers' salary).

4.2 PATRONS OF PRIVATE SCHOOLS IN AIZAWL

It would be of general interest to know of the patrons of private schools in Aizawl. From the survey (covering 40 private schools) the researcher could identify 6 types of private schools, though there are schools which run and owned by Women Association, Armed Personnel, etc., existing in Aizawl.

Table 4.1: Management Types/ Types of Private Schools in Aizawl

Sl. No	Name of the Patrons	No. of Schools
1	Christian Mission	2
2	Missionaries	2
3	Church Sponsored	2
4	Single Individual	32
5	Partnership	1
6	Society	1
Total		**= 40**

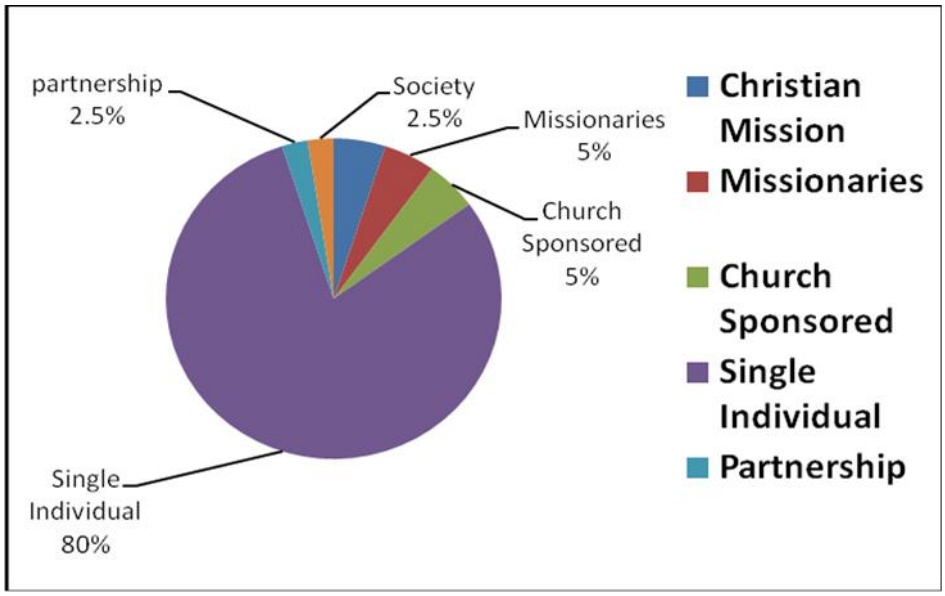
Source: Field Survey

Table 4.2: Management Types/Types of Private Schools in Aizawl

Sl.No	Name of the Patrons	No. of Schools/Frequency	Percent
1	Christian Mission	2	5
2	Missionaries	2	5
3	Church Sponsored	2	5
4	Single Individual	32	80
5	Partnership	1	2.5
6	Society	1	2.5
7	Total	40	100

Source: Field Survey

Graph 4.1: Types of Private Schools



Christian Mission Schools are the Educational institutions which are sponsored by the association of churches belonging particularly to a community. Budgets are drawn from time to time and collected from all churches under the association and used for the maintenance of the schools. The Headmasters/ Principals are usually appointed by the managing board that is again appointed by the Church Association. Religious subject is compulsory as a curriculum.

Missionary run schools are similar to Christian Mission Schools in respect of scriptural subject which is used as one of the main subjects. These Missionaries belongs to the Catholic group whose motives are to spread education and expand their religion as well. Teachers of these schools comprises mostly from outside state and within state as well.

The third category of private schools is the Church patronized Schools. These schools are owned by a single Church which may be of any

denomination. The church, from among its members chooses the management committee to look after the School. Profits of such schools are used for improving infrastructure and development works.

Most of the private schools in Aizawl are patronized by individuals. These schools are usually managed schools. The patron is the sole proprietor and decides the policy, management and other matters single handedly. He alone bears the losses and takes the profit.

Partnership patronized schools are also there in Aizawl. They have two or more persons managing the school. Mutual consent and voluntary agreement create them. Although the joint capital is not a norm of partnership, the partners agree to share the profit.

Private schools run by society also exist in Aizawl. These schools have management committees and look into the recruitment of teachers, management and policy.

In what follows, we provide a brief description of 40 private schools randomly selected from which information have been collected and analysed in this study.

4.3 RESPONDENT SCHOOLS: A BRIEF DESCRIPTION

School No.1: Helen Lowry School-: Helen Lowry School was earlier known as “Themthiamna Sikul” meaning Skill Development School. It is situated in 7th Day Tlang or Adventist Hill, Vaivakawn. This school was founded by Adventist Church Missionary Mr. Lowry. Later, the school was renamed after the name of his wife Mrs. Helen Lowry. Now, it is run and

sponsored by the Adventist church. At present it has KG to Higher Secondary stage. The school received Grant-in-aid from the government every month. The salary of the teachers above middle section is financed by the State Government. The School was established in 1950 and is one of oldest school in the city that exists. In 2008, the school has 1130 students.

School No. 2: St. Paul's Higher Secondary School-: This School was established in 1954 with Father Godfrey as it first Principal. The school was taken over by the Monfort Brothers, a Catholic Mission in 1975. It was upgraded to higher secondary status in the year 1996. It has Science and Commerce stream in plus 2 sections. The school produced good result in the HSLC and HSSLC examination every year. In the year 2008, the school had a total enrolment of 1237 students. And it is situated in Tlangnuam.

School No. 3: Synod Higher Secondary School: It was established in 1962 by the largest Christian denomination of the state Presbyterian Church also collectively known as Synod. One of the main objectives of this school was to educate the students in Christian atmosphere. The school has Secondary and Higher Secondary section only. It is situated in Mission Vengthlang locality. In the year2008, it had 978 students. It offers Science and Arts subject in the Higher Secondary section.

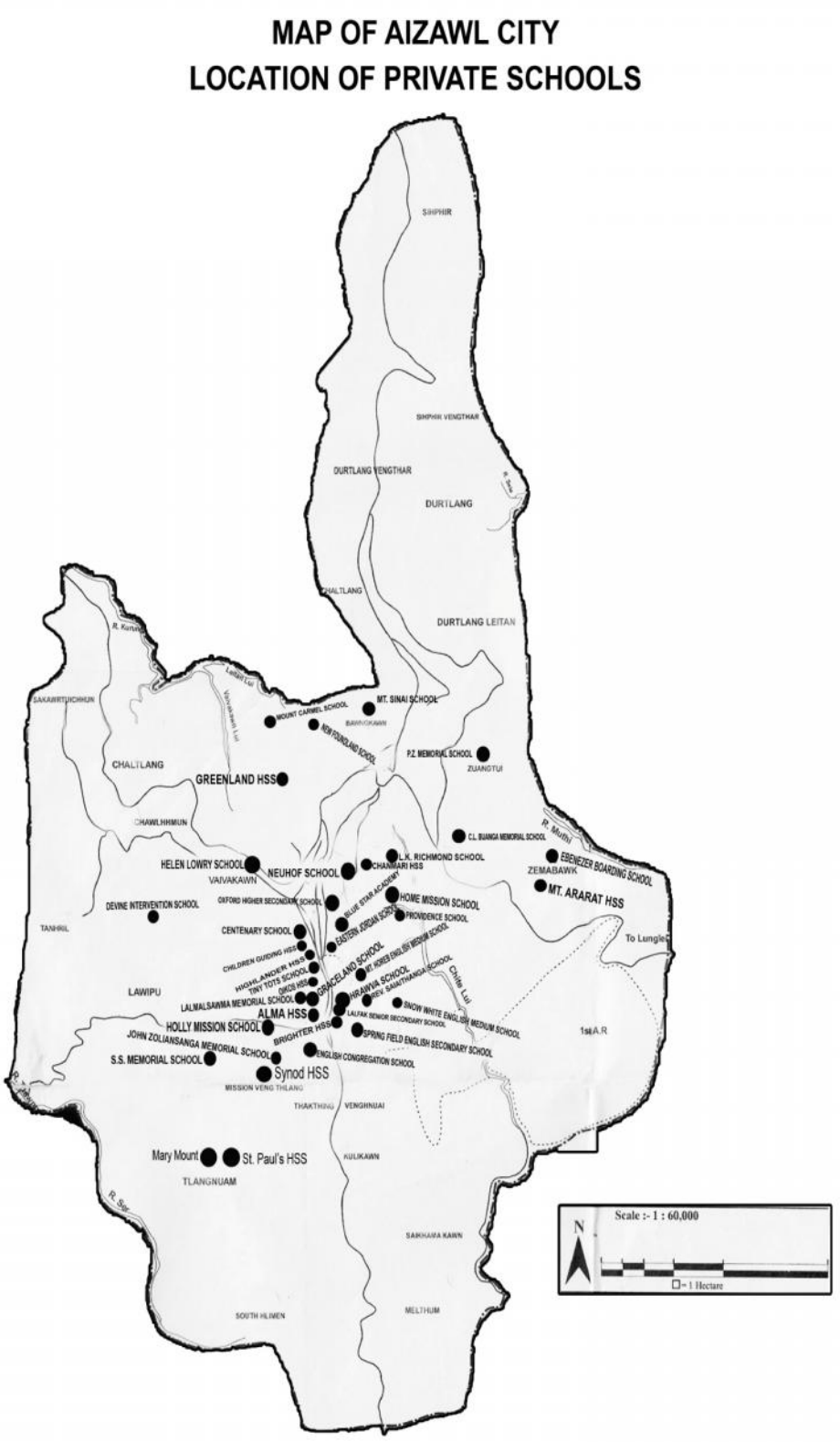
School No 4: Mary Mount School: This school was established in 1969 by the Bethany Sisters of Catholic Missionaries. The school is situated in Tlangnuam locality and is attached to St. Paul's Higher Secondary School. The school has a good building and large artificial ground. In 2008 the school had 1100 students. The standard of school is 7; it offers standard of learning from KG to class VII in 2008.

School No. 5: Neuhof School: This school was established in 1984. It is run by individual and is situated at the main road. It is located at the heart of the city, Chanmari locality. In 2008 it had 266 students. It offers standard of learning from KG to Class X in 2008.

School No. 6: Tiny Tots School: It was established in 1985. And it is located in Tuikhuahtlang. It is run by individual. In 2008 it has 437 students. It offers standard of learning from class I to class X in 2008.

School No. 7: Home Mission School: This school was established in 1986 by an individual. It has Arts and Science stream at Higher Secondary Level. It is located in McDonald Hill, Zarkawt. In 2008, it had 1480 students. This school has Higher Secondary and classes begin from Class I.

School No. 8: Mount Carmel School: This school was established in 1987 and is owned by an individual. The School is situated at Chaltlang. It is located 50 meters from the main road. In 2008 it has 674 students. This school has classes from class I to class XII standard.



Map 1.1 **Source: Master Plan for Aizawl 2002**

School No. 9: English Congregation school: This school was established in 1988 by the Mission Veng Presbyterian Church. It is located in Mission Veng locality. It has 616 students and classes begin from KG I to class 7 in 2008.

School No. 10: Hrawva School: This school was established in 1992 and owned by an individual. It is situated at Venghlui and is attached to Mizoram Institute of Comprehensive Education. The school had spent a lot in building infrastructure. In 2008 it had 202 students and classes begin from KG I to class 7.

School No. 11: Holy Mission School: This school was established in 1991 by an individual. It is situated at Bungkawn and is attached to the main road. In 2008 it has 185 students and classes begin from KG I to class 7.

School No. 12: Ebenezer Boarding School: This school was established in 1991 and is owned by an individual. It is situated in Zemabawk at the suburb of Aizawl. In 2008 it has 214 students and classes begin from KG I to class X.

School No. 13: Oxford Higher Secondary School: This school was established in 1992 by an individual. It is located at Electric Veng. In 2008 it has 188 students. The standard of the school is Higher Secondary and classes begin from class VIII to class XII.

School No 14: Mt. Ararat HSS: This school was established in 1992 by an individual. It is located in Falkland, Zemabawk. It has a good building and a large playground. In 2008 it had 150 students. The standard of this is Higher Secondary and classes begin from KG I to class XII.

School No. 15: Centenary School: This school was established in 1994 and is sponsored by local Presbyterian Church. It is situated at the heart of the city,

Dawrpui. In 2008 it had enrolled 784 students and classes begin from KG I to X.

School No. 16: New Foundland School: This school was established in 1996 by an individual. It is situated at Lily Veng, Chaltlang and is attached to the main road. In 2008 it has 58 students. The standard of the school is secondary (VIII- X).

School No. 17: Greenland HSS: This school was established in 1996 and owned by an individual. It is situated in Chaltlang Dawrkawn. It has Arts and Science stream. In 2008 it has 767 students. The standard of the school is Higher Secondary (XI – XII).

School No. 18. Alma HSS: This school was established in 1997 and is owned by an individual. Located in Khatla,and has only Arts subject at the Higher Secondary Stage.It is 70 meters away from the main road. In 2008 it has 179 students and classes begin from class VIII to class XII.

School No. 19: Graceland School: This school was established in 1998 and owned by an individual. It is located in Khatla and is 50 meters away from the main road. In 2008 it has 764 students. It provides classes from KG I to class VII in 2008.

School No. 20: P.Z.Memorial School: This school was established in 1998. It is run and owned by an individual. It is located in Zuangtui and is 62 meters away from the main road. In 2008 it had 174 students. It provides classes from KG I to class VII in 2008.

School No. 21: Lalmalsawma Memorial School: This school was established in 1999 and is owned by an individual. It is situated in Khatla and is 30 meters away from the main road. In 2008 it had 603 students. It provides classes from KG I to class VII in 2008.

School No. 22: Providence school: This school was established in 1999 and is owned by an individual. It is located in Babutlang, Zarkawt. It has Arts, Commerce and Science stream at the Higher Secondary level. In 2008 it has 600 students. It provides classes from class VIII to class XII in 2008.

School No. 23: Blue Star Academy: This School was established in 1999 and is owned by an individual. It is located in ChhingaVeng. In 2008 it had 197 students. It provides classes from KG I to class VII in 2008.

School No.24: Highlander HSS: This School was established in 1999 by an individual. It is located in Tuikhuahtlang and is attached to the main road. It has Arts and Commerce subject at the Higher Secondary level. In 2008 it had 192 students. It provides classes from class VIII to class XII in 2008.

School No. 25: Eastern Jordan School: This School was established in 1999 by an individual. It is located in SaronVeng. In 2008 it has 108 students. The standard of the school is Secondary (VIII - X).

School No. 26: Lalfak Senior Secondary School: This school was established in 2000 and is owned by an individual. It is located in Venghlui and it joined CBSE. In 2008 it has 190 students. It provides classes from class VIII to class XII in 2008.

School No. 27: Rev. Saiaithanga School: This school was established in 2000 and is owned by an individual. It is located in College Veng. In 2008 it had 115 students. It provides classes from class VIII to class XII in 2008.

School No. 28: SS Memorial School: This School was established in 2001 and is owned by an individual. It is located in Bungkawn Veng. In 2008 it has 393 students. It provides classes from KG I to class VII in 2008.

School No. 29: Snow White English Medium School: This school was established in 2001 and is owned by an individual. It is located in College Veng. In 2008 it has 111 students. It provides classes from KG I to class VII in 2008.

School No. 30: John Zoliansanga Memorial School: This school was established in 2001 and is owned by an individual. It is located in Mission Veng. In 2008 it has 121 students. It provides classes from KG I to class VII in 2008.

School No. 31: Children Guiding Higher Secondary School: Status: VIII-XIII: This school was established in 2002 and is owned by an individual. It is located in Dawrpui South near Canteen Square. It has commerce and Arts subject at the Higher Secondary Stage. In 2008 it has 180 students. The standard of the school is Higher Secondary and classes begin from class VIII.

School No. 32: LK Richmond School: This school was established in 2003 and is owned by an individual. It is located in Ramhlun Sports Complex. In 2008 it has 205 students. It provides classes from KG I to class VII in 2008.

School No. 33: Mt. Sinai School: this school was established in 2003 and is owned by an individual. It is located in Bawngkawn locality. In 2008 it has 90 students. It provides classes from KG I to class VII in 2008.

School No.34: Oikos Higher Secondary School: This school was established in 2003 and owned by an individual. It is located in Tuikhuahtlang and it offers Arts, Commerce and Science. The school produces good result in commerce since its establishment. In 2008 it has 361 students. The standard of the school is Higher Secondary (XI – XII).

School No. 35: Chanmari Higher Secondary School: This school was established in 2004 and owned by an individual. It is located in Chanmari. It offers only Arts subject in higher section. In 2008 it has 121 students. The school has secondary and higher secondary standard.

School No. 36: Springfield English Secondary School: This school was established in 2004 and is run under partnership by two persons. It is located in Republic Veng. In 2008 it has 302 students. The standard of the school is secondary (VIII – X).

School No. 37: Divine Intervention School: This school was established in 2006. The school has been looked after by 7 members management committee under the Society of Divine Intervention Ministry. It is located in Luangmual. In 2008 it has 284 students. Classes begin from KG I to class X in 2008.

School No. 38: Mt. Horeb English Medium School: This school was established in 2006 and is owned by an individual. It is located in Bethlehem Veng locality. In 2008 it has 160 students. It provides classes from KG I to class VII in 2008.

School No. 39: C.L. Buanga Memorial School: This school was established in 2007 and owned by an individual. It is located in Thuampui locality. In 2008 it has 107 students. It provides classes from KG I to class VII in 2008.

School No. 40: Brighter Higher Secondary school: This school was established in 2003 and owned by an individual. In 2009 the school was upgraded to Higher Secondary Status. It is located in Upper Republic locality. In 2008 it had 220 students. In 2008 the standard of the school was secondary only (VIII – X).

4.4 GROWTH OF PRIVATE SCHOOLS IN AIZAWL

The first private school in Aizawl was established in the year 1903. But since the growth of private schools was slow during the earlier 20th century our studies begin with the school that was established in the year 1950. From 1950 the number of schools increased to 4 in 1969 and 11 in 1991. Afterwards, since 1992, the growth rate of (the number of) private schools accelerated and by the year 2007 the number of private schools in the city increased to 40 (taking only the sample schools). Before 1990's the dominant motive of starting a private school was perhaps different than that during and after the 1990's. In the later period, schools have been started due to economic motives and run accordingly. This change in motive of starting and running the private schools has its impact on the motive and management of the older schools as well. In due course, the entire system of private schooling grew up into an industry. Table 4.3 presents the details on the number of private schools, their year of establishment and the enrolment in these private schools in Aizawl as in the year 2008 (Based on Sample collected from 40 schools).

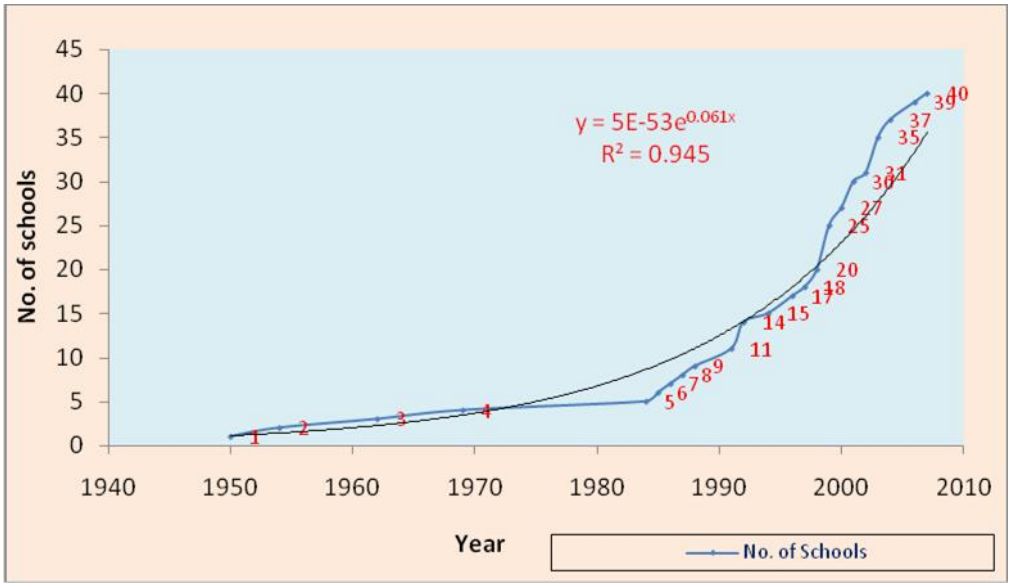
The older schools are better established and enroll (relatively) larger number of students. The oldest four private schools (that make up 10% of the total number of private schools in the city) enroll 27% of the total number of students in the private schools, while the youngest eleven schools enroll only 12.57% of the student population (in the private schools).

Table 4.3: Growth of Private School in Aizawl (Based on 40 Schools Studied) 2008

Up to the year	No. of Schools	No. of Students in the year 2008 (Cumulative)		Estd. Year	No. of Schools	No. of Students in the year 2008(Cumulative)	
		Total	Percent			Total	Percent
1950	1	1130	6.96	1996	17	10466	64.43
1954	2	2367	14.57	1997	18	10645	65.53
1962	3	3345	20.59	1998	20	11583	71.31
1969	4	4445	27.36	1999	25	13283	81.78
1984	5	4711	29.00	2000	27	13588	83.65
1985	6	5148	31.69	2001	30	14213	87.50
1986	7	6628	40.80	2002	31	14393	88.61
1987	8	7302	44.95	2003	35	15269	94.00
1988	9	7918	48.75	2004	37	15692	96.61
1991	11	8317	51.20	2006	39	16136	99.34
1992	14	8857	54.53	2007	40	16243	100
1994	15	9641	59.35				

Source: Field Survey

A comprehensive presentation of trends in growth of (the number of) private schools in Aizawl may be made by an exponential curve given as follows: **Graph 4.2: Growth of Private School in Aizawl, Mizoram**



Over the years the number of private schools increased and, alongside, their size also increased. Not all the school, most of the private schools in Aizawl, depending on the capacity of absorption and many other factors, including their performance and reputation, the number of students in these schools increased over time.

4.5: CHANGES IN ENROLMENTIN PRIVATE SCHOOLS FROM 2004-2008; AIZAWL, MIZORAM

Table 4.4 below represents the increase in the size of enrolment in the private schools of Aizawl during 2004 – 2008. It may be observed that different schools have exhibited different rates of growth. Fifteen schools have exhibited decline in enrolment. They are serial numbers 4,8,9,10,11,12,13,14,16,20,23,26, 27, 28, and 30. On the other hand, four schools have experienced a sizeable (greater than 50 students per year) increase in the rate of enrolment. They are serial numbers. 38, 39, 1, and 7, mostly established in the 1980s or afterwards in which the last two schools are large in size. A gist of the changes in enrolment is given in table 4.4 (i).

Table 4.4: Rate of Change in Enrolment in the Private Schools from 2004 to 2008, Aizawl, Mizoram

Changes in Rate of Enrolment	No. of Schools	Sl. No.	Size Category (Enrolment)	Age Category (Established)
Decline	15	4,8,9,10,11,12,13,14,16,20, 23, 26,27,28,30	60% are Small	Mixed
0 – 15	9	6,17,21,24,25,29,31,33,36	Mixed	After 1985
15 – 30	8	3,5,15,18,19,34,35,37	Mixed	After 1984
30 – 45	4	2,22,32,40	Middle	After 1999
45 – 60	2	38,39	Small	After 2006
60 – 75	2	1,7	Large	Before 1987

Source: Field Survey

The following table shows the trend of number of students in the private schools in Aizawl. School # 1 which was established in 1950 is the oldest among 40 schools studied and the youngest is school #39. Table 4.4(i) below shows the growth of number of students in the private schools in Aizawl. Here we have studied the enrolment trend of 40 schools starting from 2004 to 2008 which is our based year of study. As already mentioned in Table 4.4, fifteen schools have faced a decline in students' enrolment. This is mainly due to fierce competition from newly opened private private schools at the nearby locality or within the locality in itself. Moreover, these schools which are on the declining in terms of students enrolment could not compete with highly reputed schools due to lack of funds and low sources of revenue from users fees. Also the decision on locations has played a great role in declining of students' enrolment. These schools could not renovate their plants and it is often unattractive for the parents and the community in which they operate. Another important reason of decline in enrolment is that government has opened several new schools under Sirva Shikshak Abhiyan (SSA) which is a centrally sponsored scheme coming from the central government. Under SSA new Model schools has been set up which attract not only the low economic families but even the parents who can afford their children to send them in much higher cost of educational institutions.

The recent policy of the largest church of the state, Synod, has a much impact on the enrolment of private schools. The policy of opening a church sponsored schools in each locality lower the enrolment of purely private schools to a great extent. We can also see that opening of private schools is big business in Aizawl after 1985.

Table 4.4 (i) is the presentation of growth of students in private schools in Aizawl between 2004 and 2008. From our study of growth of private schools we can find that fifteen schools (#4,#8,#9,#10,#11,#12,#13,#14,#16,#20, #23, #26,#27,#28,#30) had shown a decline in enrolment.

9 schools have experienced an increase in students more than 20 students per year while three schools have an increased in more than 50 students per year. Locations and reputation of the schools is the main reason for these differences in enrolment. Moreover, the rapid increased in the number of private schools over the years have pulled down the share of many schools in terms of students' enrolment.

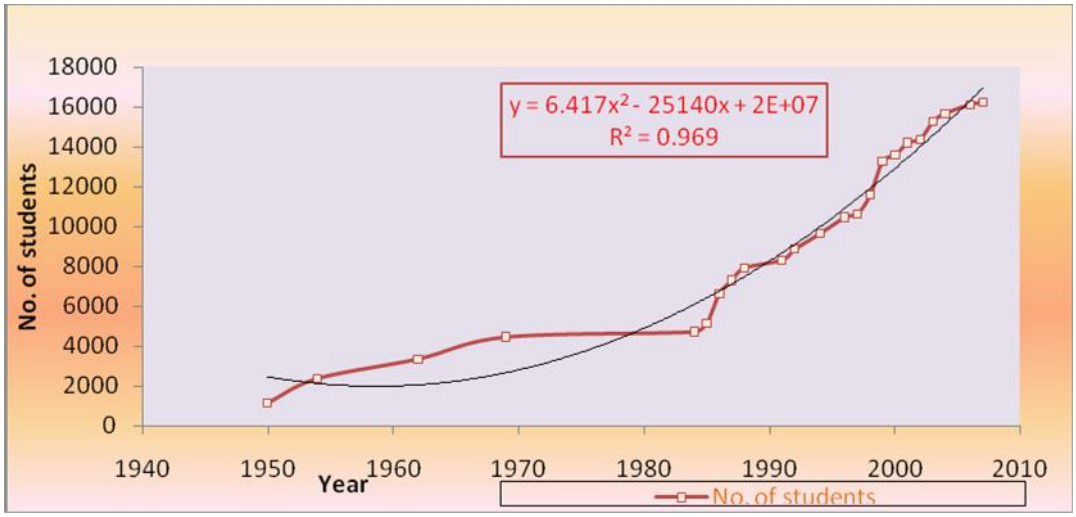
Table 4.4 (i) : Growth of Number of Students in the Private School in Aizawl, Mizoram (2004-2008)

School Sl. No.	Year of Estd	Total No. Students in the School (2004-2008)					Growth	
		2004	2005	2006	2007	2008	Student Per Year	Average Annual Rate (%)
1	1950	859	863	950	955	1130	67.75	7.35
2	1954	1094	1099	1102	1012	1237	3.37	3.70
3	1962	873*	873*	873*	873*	978	26.25	NA
4	1969	1200	1100	1100	1100	1100	-25	-2.08
5	1984	180	190	210	248	266	27.5	10.36
6	1985	425	447	451	426	437	3	0.78
7	1986	1150	1160	1100	1100	1480	62.5	7.56
8	1987	808*	808*	771	882	674	-33.5	-4.59
9	1988	672	633	638	639	616	-56	-2.11
10	1992	551	153	351	241	202	-87.25	2.41
11	1991	208	207	210	215	185	-1.25	-2.65
12	1991	250	240	220	200	214	-17.5	-3.61
13	1992	235	271	251	213	188	-16.75	-4.73
14	1992	180	170	160	155	150	-7.5	-4.45
15	1994	713	754	807	773	784	17.75	2.50
16	1996	105	110	113	97	58	-2	-11.72
17	1996	363	340	489	627	767	11	22.01
18	1997	85	96	128	135	179	23.5	21.08
19	1998	655	611	723	746	764	27.25	4.30
20	1998	180	162	165	170	174	-1.5	-0.69
21	1999	582	585	590	600	603	5.25	0.89
22	1999	455	468	470	520	600	36.25	7.33
23	1999	207	205	142	187	197	-2.5	1.33
24	1999	157	170	210	220	192	4.5	5.96
25	1999	63	60	59	62	108	0.75	18.21
26	2000	216	231	222	159	190	-6.5	-1.46
27	2000	230	230	105	94	115	-28.75	-10.62
28	2001	456	458	413	376	393	-15.75	-3.46
29	2001	62	78	92	99	111	12.25	15.87
30	2001	161	154	160	149	121	-10	-6.53
31	2002	180	180	180	180	180	0	0.00
32	2003	62	98	120	160	205	35.75	35.49
33	2003	86	84	92	98	90	1	1.39
34	2003	257	275	257	325	361	26	9.50
35	2003	67	124	121	132	121	16	20.85
36	2004	285	260	290	280	302	4.25	1.79
37	2004	225	225	225	250	284	29.5	6.18
38	2006	50*	50*	50*	150	160	55	6.67
39	2007	56*	56*	56*	56*	107	51	NA
40	2003	84	120	175	258	220	34	30.35

Source: Field Survey

Note: Where the figures for some years are not available (NA), the figures for the nearest year have been used = Estimated*

Graph 4.3: Growth of Number of Students in Private School, Aizawl, Mizoram



The growth of number of students in Private Schools in Aizawl (2008) is constructed in graph form. Here we used exponential growth as a measure. Though the first private schools in Aizawl was established way back in 1903, since it is now under management of state government we did not include in our study. From the graph we can see that the number of enrolment in private schools has rapidly increased after 1990. Based on 40 schools survey we can see that by 2008 the total enrolment was 16243 students.

4.6 RELATIONSHIP BETWEEN AGE OF A SCHOOLS AND ITS ENROLMENT SIZE

We have seen that private schools started coming up in 1950 and the rate of entry (establishment of a new private school) accelerated during and after 1990's. As on today, there are over 50 years old while there are others that are relatively middle –aged or young. It is pertinent to enquire if the age of a school matters in determining the size of its enrolment. There are a few points in favor of such an enquiry. First, that over the year's schools earns reputation, partly due to their students in the School Board Examinations and partly due to their internal management. They earn reputation due to the teaching staff that they employ and retain. Secondly, schools face problems of resource generation, resource management and capacity utilization. In the long run, schools can expand their capacity and teaching force. They may innovate better ways to serve their students as well as strengthen their position in the industry. Nevertheless, economies and diseconomies of scale are operative on the schools. Every school has a catchment area and a catchment population. By introducing school buses for fetching and dropping the students back home, catchment area may be expanded. But transportation has its cost in terms of money as well as time, especially in the hilly and remote areas like Mizoram.

To find out if there is any relationship between age of the school and size of the school (enrolment) we use simple correlation. Taking age of the school as X and Y as the size of the school;

We can see from table 4.5 below that there is somehow a relationship between the size of enrolment and age of the schools. The four oldest schools have enrolled in total 4445 students in the 2008 which is 27.36% of the total

population. All these four schools have been established prior to 1970s. The school with the largest population that is school no. 7 having 1480 students was established in 1986. School nos. 8 and 9 which was established in late 1980s i.e., 1987 and 1988 enrolled 674 and 616 respectively.

Table 4.5: Relationship between Age of the school and No. of Enrolment

Year of Establishment	Age of school in 2008 [X]	No. of Students[Y]
1950	58	1130
1954	54	1237
1962	46	978
1969	39	1100
1984	24	266
1985	23	437
1986	22	1480
1987	21	674
1988	20	616
1992	16	202
1991	17	185
1991	17	214
1992	16	188
1992	16	150
1994	14	784
1996	12	58
1996	12	767
1997	11	179
1998	10	764
1998	10	174
1999	9	603
1999	9	600
1999	9	197
1999	9	192
1999	9	108
2000	8	190
2000	8	115
2001	7	393
2001	7	111
2001	7	121
2002	6	180
2003	5	205
2003	5	90
2003	5	361
2004	4	121
2004	4	302
2006	2	284
2006	2	160
2007	1	107
2003	5	220

Source: Field Survey

There are old schools which experiencing a decline in enrollment. So we can say that the most important factors determining the size of the school can be the reputation earned, management, quality of education, teaching staff employed, and performance in the Board Examination.

Here, we have work out the statistical relationship between age and size of the school (enrolment) through a simple correlation coefficient formula.

$$r = \frac{n\sum uv - \sum u \sum v}{\sqrt{n\sum u^2 - (\sum u)2}\ \sqrt{n\sum v^{\ 2} - (\sum v)^2}}$$

r = 0.659

Our study shows that there is a moderate correlation which means there is a substantial relationship between the Age of the school and Size (No. of students).

4.7 SIZE DISTRIBUTION OF PRIVATE SCHOOLS IN AIZAWL

Size distribution of firms is the number of firms of various sizes. Size can be measured in various ways; employment, turnover, and stock exchange capitalization are commonly used measures of size. On any measure the distribution tends to be skewed, with a lot of small firms and relatively few large ones in any industry or area, or a country as a whole.

A perusal of tables 4.6 to 4.6 (iii) suggests that about 70 percent of schools are small in size (from the view point of enrolment having less than 500 students). Two schools are quite large with an enrollment over 1200 students. Three schools are also quite large having over 900 students.

Table 4.6: Size Distribution of Schools

(*Based on the Enrolment of the Total Number of Students*)

No. of Students	No. of schools	Percent	Cumulative Percent
50-200	18	45	45
200-500	10	25	70
500-900	7	17.5	87.5
900-1200	3	7.5	95
1200-1500	2	5	100
Total	**40**	**100**	

Mean = 405, S. D. = 339

Source: Field Survey

Table 4.6 present cumulative percent of students enrolment. The table shows that 18 schools have enrolled 50-200 students with cumulative percent of 45. There are 10 lying in the range of 200-500 students' enrolment with a cumulative percent of 70. There are 7 schools that have enrolled 500-900 students, between 900 and 1200 students' enrollment there are 3 schools. And there are 2 schools which enrolled 1200-1500 students.

Table 4.6 (i): Size Distribution of Schools

(*Based on the Enrolment of the Total Number of Students in Lower, Secondary and Higher Secondary Classes*)

No. of Students	Frequency (Number of Schools)		
	Lower Classes	Secondary	Higher Secondary
None	16	16	27
10-100	3	13	6
100-300	12	5	3
300-600	3	5	4
600-1000	5	1	0
1000-1300	1	0	0

Source: Field Survey

Table 4.6 (i) shows size distribution of school based on the enrolment of the total number of students in lower, secondary and higher secondary classes. From 40 schools taken for studied, 3 schools lies in an enrolment range of 10 –

100 students, between 100 to 300 students' enrolment lies 12 schools, between 600 to 1000 lies 5 school in the lower classes.

There are 13 schools lying in the range of 10 to 100 students' enrolment, between 100 to 300 and 300 to 600 there are 5 schools each, one school lies in the range of 600 to 1000 in secondary section.

In the higher secondary section there 6 schools which lies in the range of 10-100 students, 3 schools in the range of 100-300 students, four schools within the range of 300-600. There are no schools that have no enrolment more than 600 students in the higher secondary level.

Table 4.6 (ii): Size Distribution of Schools

(*Based on the Total Number of Teachers of Different Levels of Education*)

No. of Teachers	**Frequency (Number of Schools)**					
	Matric	**HSSLC**	**Graduate**	**PG**	**Theology**	**Computer**
None	30	20	1	5	38	18
1-5	9	17	15	17	1	12
6-10	1	2	14	9	0	7
11-15	0	1	4	3	0	2
16-20	0	0	2	4	1	0
21-25	0	0	4	2	0	0
26-30	0	0	0	0	0	1
Total	40	40	40	40	40	40
Mean (S.D.)	**1(1.62)**	**2 (2.69)**	**8 (6.52)**	**7 (6.38)**	**1 (2.84)**	**4 (5.35)**

Source: Field Survey

Table 4.6 (ii) presents the size distribution of teachers according to their educational qualification. In this table 30 schools have no Matric passed teachers, 38 schools do not have theology teacher and 18 schools have no computer teacher. Most of the schools employed Graduate and Post Graduate personal at an average of 5- 8.

Table 4.6 (iii): Size Distribution of Schools

(*Based on the Total Number of Teaching and Non- teaching Staff*)

No. of Teachers	Frequency (Number of Schools)		
	Teaching	Non-Teaching	Total Staff
none	0	6	0
0-5	0	27	0
5-10	14	3	10
10-15	10	1	11
15-20	6	0	4
20-25	2	0	5
25-30	3	0	2
30-35	1	0	3
35-40	0	0	1
Above 40	4	0	4
	40	40	40

Source: Field Survey

Table 4.6 (iii) presents the size distribution of schools based on the total number of teaching and non-teaching staff. In this table we can see that private schools in Aizawl run their firm at a very low amount of labours. Since the main aim of private school in Aizawl is running a firm at very cheap cost thereby extracting huge amount of money from the clientele, these firms have employed less number of non- teaching staff in order to earn profits. Most of the schools have employed 5-10 teachers and most of the schools employed 0-5 non – teaching staff.

4.8: AVERAGE SALARY OF TEACHING AND NON-TEACHING STAFF OF AIZAWL

Private schools in Aizawl employed (based on 40 schools studied in a year 2008) 726 teachers of whom 46.56% are Graduates, 34.99% Post Graduates, 9.23% HSSLC, 5.23% Computer teachers and the rest either Matriculate or Theology teachers. Among the non-teaching staff (123 in number; based on 40 schools survey), the majority are Grade-IV employees (61.79%). Graduates non-teaching staff are 19.51%, 9.76% Matriculate and

8.94% HSSLC. On an average, Grade-IV non-teaching staff earns Rs. 2924.08 (per month). On the other hand, the mean salary of PG teachers amounts to Rs. 8307.14 per month. Graduates teachers earn Rs.6326.05 which is a little more than computer teachers. It might be strange that Matriculate teachers earn more than the HSSLC teachers; this is because some matriculate teachers are engaged in this occupation for more than 15 years and that they have several increments, which makes their salary appears higher than the HSSLC teachers. The detail of salary of teachers in private schools in Aizawl is given in Table 4.7 below.

Table 4.7: Monthly (Average) Salary of Teachers in Private Schools in Aizawl

Year 2008	**Teachers with Different Qualifications**						
No of Schools=40	Matric	HSSLC	Graduate	PG	Theology	Computer	Total
Total No. of Teachers	24	67	338	254	5	38	726
(Percent to Total)	**3.3%**	**9.23%**	**46.56%**	**34.99%**	**0.69%**	**5.23%**	**100%**
Total Salary Bill/Month	134889	286889	2143205	2110013	45754	236600	4957350
Average Salary/Month	5620.37	4281.92	6340.84	8307.14	9150.8	6226.32	6828.31

Source: Field Survey

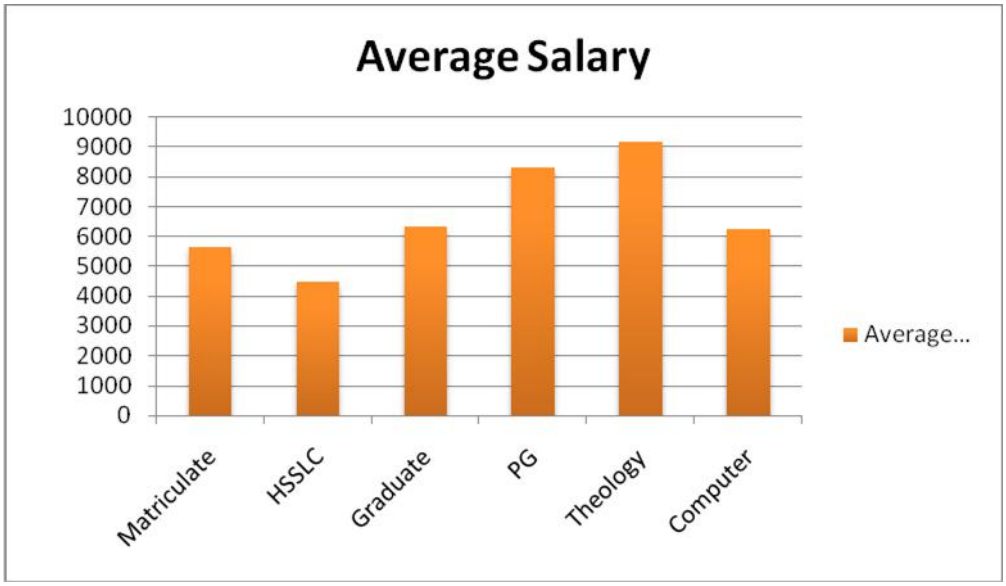
Table 4.7 (i) Monthly (Average) Salary of Non-Teaching Staff in Private Schools in Aizawl

Year 2008	**Non-Teaching Staff with Different Qualifications**				
No of Schools=40	Matriculate	HSSLC	Graduate	GradeIV	Total
Total No. of Non-Teaching staff	12	11	24	76	123
(Percent to Total)	9.76%	8.94%	19.51%	61.79%	100
Total Salary Bill/Month	68500	47500	154310	222230	492540
Average Salary/Month	5708.33	4318.18	6429.58	2924.08	4004.39

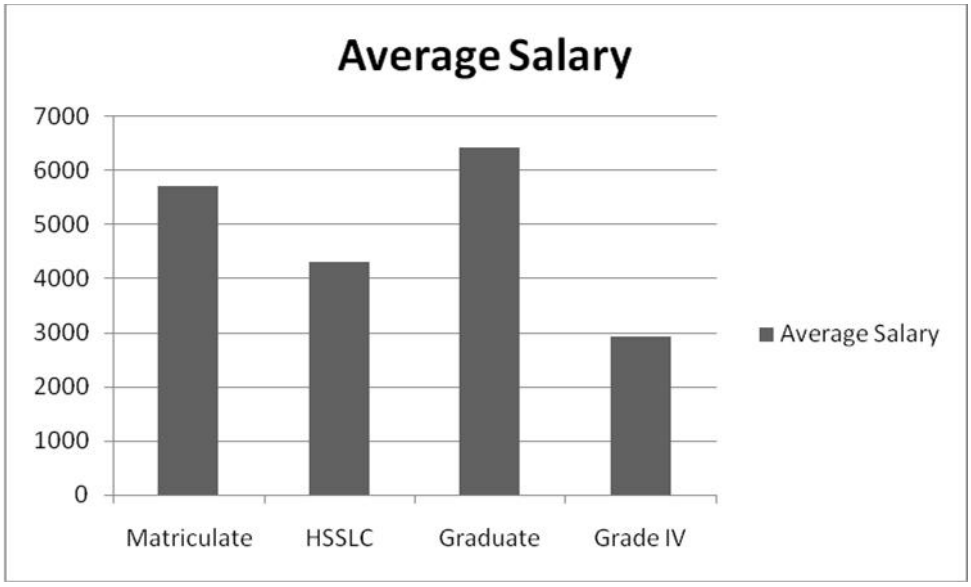
Source: Field Survey

Based on 40 schools survey the private schools in Aizawl employed 123 non-teaching staff. Grade IV staff employment is the highest with 76 numbers (61.79%). The total amount of salary paid for Grade IV in 2008 was Rs. 222230 with an average salary of 2924.08. On an average, graduate non-teaching staff earns Rs. 6429.58; matriculate Rs.5708.3 and HSSLC Rs. 4318.18.

Graph 4.4: Average salary of Teachers in Private Schools In Aizawl, Mizoram



Graph 4.5: Average Salary of Non-Teaching staff in Private Schools in Aizawl, Mizoram



4.9: THE SALIENT FEATURES OF PRIVATE SCHOOLS IN AIZAWL

There are 17 schools in which students are mostly from modest economic background while the rest 23 schools enroll students largely from a better off economic background. Most of the private schools in Aizawl are located nearby the roadside. Based on the sample collected all the schools provide co-education. The tables 4.8, 4.8(i) and 4.8 (ii) shows that the percentage of the girls (in the total students) in the schools is 49.53 while the percentage of the boys 50.47. Of the 40 schools taken for studied 31 schools have non- Mizo enrolment while 9 schools have no non- Mizo enrolment. Hindi is a compulsory subject from class III to Class VIII in the State Education System. Most of the schools provide Mizo language as a Second Language. In most schools percentage of female teachers exceed the percentage of male teachers.

Larger schools have higher Student/Classroom and Student/ Teacher ratios in general. The percentage share of female teachers (based on 40 schools) is 53.25 percent while the percentage of male teachers is 46.75 percent. The average student/classroom ratio based on 40 schools collected for study is 35.23. Leaving out five big schools which have larger enrolment than rest of the schools, the student/classroom ratio went down to 30.89. There are 24 schools that have an enrolment less than 300 students. Taking these schools only the student/classroom ratio is 19.31. On an average 6.09 classes(periods) has been taken per day in the primary section, 7 classes in the middle section, 7.13 classes in Secondary section and 7.18 classes in Higher Secondary section. Regarding the enrolment of non- Mizo in the private schools in Aizawl School # 4 has highest number of enrolment from students outside the state which enrolled 185 non-Mizo students in the year 2008; its percentage to the total students' enrolment was 16.82 percent. School # 6 enrolled 170 non-Mizo students in the year 2008 and its percentage to the total enrolment in the school was 38.90 percent which was the highest among the all 40 schools. School # 2 enrolled 120 non- Mizo students with the percentage of 9.70 percent. School #11 enrolled 27.03 percent of non-Mizo students which is the second highest in terms of percentage; it enrolled 50 non- Mizo students out 185 students. Ten schools have no non- Mizo students enrolment, while eleven schools have less than 5 number of non-Mizo students enrolment. The overall percentage of non- Mizo students enrolment in year 2008 was 5.28 percent (out of 16243 students).

Table 4.8: Characteristics of the Private Schools in Aizawl, Mizoram

Sl.no.	Distance From Main Road (metres)	II nd Language		Type of School	No. of Periods Taken (Per day)				Co-ed (1) Girls only (0)	No. of Std. in 2008		Students From Outside Mizoram	*Eco Back Ground
		M	H		Pri	Mid	Sec	HSS		M	F		
1	400m	2	0	2	7	7	7	7	1	528	602	20	2
2	600m	2	0	1	0	0	9	9	1	503	734	120	1
3	30m	2	0	2	0	0	7	7	1	509	469	3	2
4	400m	2	0	1	8	8	0	0	1	525	575	185	2
5	3m	2	0	4	7	7	7	0	1	135	131	15	1
6	20m	2	0	4	7	7	7	0	1	227	210	170	2
7	100m	2	0	4	6	7	6	8	1	744	736	20	1
8	50m	2	0	4	5	6	6	6	1	346	328	28	1
9	10m	2	0	3	7	7	0	0	1	303	313	15	1
10	50m	2	0	4	7	7	0	0	1	106	96	2	2
11	10m	2	0	4	7	7	0	0	1	100	85	50	2
12	30m	2	0	4	7	7	7	0	1	125	89	0	2
13	100m	2	0	4	0	0	8	8	1	110	78	2	2
14	30m	2	0	4	7	7	7	7	1	80	70	9	2
15	10m	2	0	3	7	7	8	0	1	399	385	12	1
16	30m	2	0	4	0	0	7	0	1	23	35	4	2
17	5m	2	0	4	0	0	7	7	1	397	370	9	1
18	70m	2	0	4	0	0	7	7	1	97	82	2	2
19	50m	2	0	4	6	7	0	0	1	509	255	49	1
20	60m	2	0	4	5	7	0	0	1	82	92	26	2
21	30m	2	0	4	5	8	0	0	1	304	299	21	1
22	80m	2	0	4	0	0	7	7	1	374	226	8	1
23	30m	2	0	4	5	7	0	0	1	99	98	0	2
24	5m	2	0	4	0	0	7	7	1	123	69	10	1
25	50m	2	0	4	0	0	7	7	1	45	63	2	2
26	200m	2	0	4	0	0	7	0	1	96	94	39	1

27	10m	2	0	4	0	0	7	7	1	55	60	0	1
28	20m	2	0	4	5	7	0	0	1	157	236	0	1
29	5m	2	0	4	5	7	0	0	1	45	66	2	1
30	20m	2	0	4	5	7	0	0	1	70	51	0	1
31	5m	2	0	4	0	0	7	7	1	80	100	0	1
32	3m	2	0	4	7	0	0	0	1	100	105	3	2
33	5m	2	0	4	5	7	0	0	1	50	40	16	2
34	5m	2	0	4	0	0	0	7	1	162	199	2	1
35	30m	2	0	4	0	0	7	7	1	62	59	0	2
36	5m	2	0	5	0	0	8	0	1	131	171	0	2
37	7m	2	0	6	0	0	7	0	1	148	136	6	1
38	50m	2	0	4	5	7	0	0	1	91	69	0	2
39	5m	2	0	4	5	6	0	0	1	62	45	4	2
40	13m	2	0	4	0	0	7	7	1	96	124	4	1

*1 = good economic background, 2 = modest economic background

Source: Field Survey

4.10 GENDER WISE DISTRIBUTION OF STUDENTS AND TEACHERS IN PRIVATE SCHOOLS IN AIZAWL

Equal access to education for women and girls should be ensured. Special measures was taken to eliminate discrimination, universalize education, eradicate illiteracy, create a gender-sensitive educational system, increase enrolment and retention rates of girls and improve the quality of education to facilitate life-long learning as well as development of occupation/vocation/technical skills by women in India.. Gender sensitive curriculum was developed at all levels of educational system in order to address sex stereotyping as one of the causes of gender discrimination. An analysis was carried out to show the gender gap in the employment pattern of both the genders.

As shown Table 4.8 (i) below private schools in Aizawl in the year 2008 enroll 16243 students in which 8198 were male students and female enrolment was 8045. The male teacher-student ratio is 28.24 during the study period and also, female-teacher student ratio is found to be 20.77. The overall male student and female student ratio is 0.997. Regarding the distribution of teachers, private schools in Aizawl in the year employed 726 labours in which 332 are male teachers while 394 are female. In 13 schools, the percentage of female teachers to the total teachers was more than 60 percent. From this analysis, it can be concluded that female teachers are more in number but less in terms of student-teacher ratio.

Table 4.8 (i): Infrastructure in the Private Schools in Aizawl

School sl.no	Various Type of Rooms in the School Building								
	Building Type (BT)	No. of Class Room (NC)	Office Room (NO)	Conference Room (CH)	Head Room (HR)	Other Room (OR)	Total No. of Room In School (NR)	Total No. of Students	Student Class-Room Ratio
1	1	36	6	1	1	8	52	1130	31.39
2	1	26	1	1	1	7	36	1237	47.58
3	1	18	6	1	2	2	29	978	54.33
4	1	25	1	1	1	2	30	1100	44
5	2	12	1	0	1	4	18	266	22.17
6	3	12	1	0	1	1	14	437	36.42
7	2	22	4	0	1	2	29	1480	67.27
8	2	16	3	0	1	0	20	674	42.12
9	1	19	3	0	1	1	24	616	32.42
10	1	11	1	1	1	3	17	202	18.36
11	1	9	1	0	1	1	12	185	20.56
12	1	12	1	0	0	0	13	214	17.83
13	1	8	1	0	1	0	10	188	23.5
14	1	12	2	0	1	1	17	150	12.5
15	1	20	3	1	1	3	28	784	39.2
16	2	4	1	0	0	2	7	58	14.5
17	1	12	3	0	1	0	16	767	63.92
18	3	5	1	0	1	1	8	179	35.8
19	1	18	2	1	1	2	24	764	42.44
20	2	9	1	0	1	1	12	174	19.33
21	1	7	1	1	1	2	12	603	86.14
22	1	14	1	0	1	2	18	600	42.86
23	1	9	1	0	1	1	12	197	21.89
24	1	7	1	1	1	2	12	192	27.43
25	1	3	1	0	1	1	6	108	36
26	1	6	2	0	1	5	14	190	31.67
27	2	4	2	0	1	3	10	115	28.75
28	1	10	2	0	1	2	15	393	39.3
29	1	10	2	0	1	1	14	111	11.1
30	1	7	1	0	1	0	9	121	17.29
31	1	7	1	1	1	2	12	180	25.71
32	1	10	1	0	0	1	12	205	20.5
33	1	9	1	0	0	0	10	90	10
34	1	6	2	0	1	0	9	361	60.17
35	1	4	1	0	1	1	7	121	30.25
36	1	6	1	1	2	1	11	302	50.33
37	1	12	4	1	1	3	21	284	23.67
38	2	9	1	0	0	1	11	160	17.78
39	1	8	1	0	0	0	9	107	13.38
40	1	7	3	1	1	4	16	220	31.43

Source: Field Survey

Table 4.8 (ii). Gender Wise Distribution of Students and Teachers in the Private Schools in Aizawl

Sl.no	Teacher (total)				Student (total)				Student / Teacher Ratio		
	M	%	F	%	M	%	F	%	Ms/Mt	Fs/Ft	S/T
1	17	33.33	34	66.67	528	46.68	602	53.32	40.62	25.12	22.16
2	31	53.45	27	46.55	503	48.19	734	51.81	17.22	33.76	21.33
3	27	60	18	40	509	52.04	469	47.96	16.41	26.05	21.73
4	2	10.53	17	89.47	525	47.73	575	52.27	26.25	33.82	57.89
5	7	38.89	11	61.11	135	50.75	131	49.25	19.28	11.91	14.78
6	5	29.41	12	70.59	227	51.94	210	48.05	45.4	17.5	25.70
7	24	48.98	25	51.02	744	50.27	736	49.73	31	29.44	30.20
8	12	46.15	14	53.85	346	51.33	328	48.66	28.33	23.43	25.92
9	13	48.15	14	51.85	303	49.19	313	50.81	23.31	22.36	22.81
10	5	35.71	9	64.29	106	52.47	96	47.52	17.67	10.67	13.47
11	3	30	7	70	100	54.05	85	45.95	33.33	12.14	18.5
12	6	46.15	7	53.85	125	58.41	89	41.58	20.83	12.71	16.46
13	9	69.23	4	30.77	110	58.51	78	41.49	12.22	19.5	14.46
14	5	41.67	7	58.33	80	53.33	70	46.67	16	10	12.5
15	13	40.63	19	59.37	399	50.89	385	49.11	30.69	20.26	24.5
16	5	62.5	3	37.5	23	39.66	35	60.34	4.6	11.67	7.25
17	21	75	7	25	397	51.76	370	48.24	18.90	52.86	27.39
18	4	55.56	3	44.44	97	54.19	82	45.81	19.4	20.5	19.89
19	4	22.22	14	77.78	509	66.62	255	33.38	127.25	18.21	42.44
20	6	60	4	40	82	47.13	92	52.87	13.67	23	17.4
21	5	21.74	18	78.26	304	50.41	299	49.59	60.8	16.61	26.22
22	16	69.57	7	30.43	374	62.33	226	37.67	23.38	32.29	26.09
23	4	40	6	60	99	50.25	98	49.75	24.75	16.33	19.7
24	8	61.54	5	38.46	123	64.06	69	35.94	15.38	13.8	14.77
25	3	50	3	50	45	41.67	63	58.33	15	21	18
26	6	54.55	5	45.45	96	50.53	94	49.47	16	18.8	17.27
27	6	75	2	25	55	47.83	60	52.17	9.17	30	14.38
28	5	25	15	75	157	39.95	236	60.05	31.4	15.73	19.65
29	1	10	9	90	45	40.54	66	59.46	45	7.33	11.1
30	1	11.11	8	88.89	70	57.85	51	42.15	70	6.38	13.44
31	11	68.75	5	31.25	80	44.44	100	55.56	7.27	20	11.25
32	2	20	8	80	100	48.78	105	51.22	50	13.13	20.5
33	1	14.29	6	85.71	50	55.56	40	44.44	50	6.67	12.86
34	8	53.33	7	46.67	162	44.88	199	55.12	20.25	28.43	24.07
35	4	50	4	50	62	51.24	59	48.76	15.5	14.75	15.13
36	7	63.64	4	36.36	131	43.38	171	56.62	18.71	42.75	27.45
37	7	41.18	10	58.82	148	52.11	136	47.89	21.14	13.6	16.71
38	2	20	8	80	91	56.88	69	43.12	45.5	8.63	16
39	3	33.33	6	66.67	62	57.94	45	42.06	20.67	7.5	11.89
40	13	86.67	2	13.33	96	43.64	124	56.36	7.38	62	14.67

Ms/Mt = Male student Teacher Ratio, Fs/Ft = Female Student Teacher Ratio, S/T = Student Teacher Ratio.

Source: Field Survey

Table 4.8 (iii) Cumulative Frequency Distribution of Private Schools as per No. of Class Rooms/ in the School Premises

Class-rooms/All Rooms <=x	5	10	15	20	25	30	35	40	45	50	55
No. of Schools with [C] <=x	5	23	31	36	38	39	40	0	0	0	0
No. of Schools with [R] <=x	0	10	24	31	34	38	38	39	39	39	40

As seen in the table 4.8 (iii), 23 schools have at most 10 class rooms and 31 schools have at most 15 class rooms. Ten schools have at most 10 rooms (in all, including the class room) and 24 schools have at most 15 rooms. The largest number of class rooms is 36 (falling in the range of 35 – 40) and the largest number of rooms is 52.

4.11. CO-CURRICULAR AND EXTRA-CURRICULAR ACTIVITIES IN PRIVATE SCHOOLS IN AIZAWL

Due to location and topography of the land, there are lack of facilities especially in the areas of games and sports. Most of the private schools in Aizawl have to rent a community's playground, community hall and other facilities in order to conduct co-curricular activities. School #1, #2, #3, #4 are little better than the rest of the schools in terms of co-curricular activities and facilities. These schools have their own playground (cemented) and hall. School #14 is the only school that have natural optimal playground. Rest of the schools have small lawn or at all.

A Co-curricular activity in Private Schools in Aizawl is limited for better shaping up of students. This may be due to lack of funds and resources. Moreover, there is a lack professional who can conduct such type of activities in the schools.

Table 4.9: Extra- Curricular/Co-Curricular Activities in Private Schools in Aizawl

Sl. No	Sc. Club	Cultural Club	Music Concert	NSS	NCC	Educational Tour	Games /Sport	Scout	Martial Art
1	**0**	**0**	**0**	**1**	**0**	**1**	**1**	**0**	**0**
2	1	1	0	0	0	1	1	1	0
3	0	0	0	1	0	1	1	0	0
4	0	1	1	0	0	0	1	1	0
5	0	0	1	1	0	1	1	0	0
6	0	0	1	0	0	0	1	1	0
7	0	1	1	0	1	1	1	0	0
8	1	0	1	0	0	1	1	0	0
9	0	0	0	0	0	1	1	0	0
10	1	1	1	0	0	1	1	1	1
11	0	0	1	0	0	1	1	0	0
12	0	0	1	0	0	1	1	1	0
13	0	0	1	0	0	1	1	0	0
14	0	1	1	0	0	0	1	0	0
15	1	1	1	0	0	1	1	0	0
16	0	0	0	0	0	0	1	0	0
17	0	0	0	0	0	0	1	0	0
18	0	0	0	0	0	0	1	0	0
19	0	0	1	0	0	1	1	1	1
20	0	1	0	0	0	0	1	0	1
21	0	0	0	0	0	1	1	0	0
22	1	0	1	0	0	1	1	0	0
23	0	0	0	0	0	1	1	0	0
24	0	1	1	0	0	1	1	0	0
25	0	1	0	0	0	1	1	0	0
26	0	0	0	0	0	0	1	0	0
27	0	0	1	0	0	0	1	0	0
28	1	1	1	0	0	1	1	1	0
29	0	0	0	0	0	0	1	0	0
30	0	0	1	0	0	1	1	1	0
31	1	1	1	0	0	1	1	0	0
32	0	0	0	0	0	1	1	0	0
33	0	1	0	0	0	0	1	0	0
34	0	0	0	0	0	0	1	0	0
35	0	1	0	0	0	1	1	0	0
36	0	1	1	0	0	1	1	1	0
37	0	1	1	0	0	1	1	0	1
38	0	0	1	0	0	1	1	0	0
39	0	0	0	0	0	0	1	0	0
40	0	0	1	0	0	0	1	0	0

Source: Field Survey Note: Yes = 1, No=0

Table 4.9 shows the co-curricular/extra-curricular activities conducted in the private schools in Aizawl. The most common activities in the schools (private) are games and sports and educational tour popularly known by the students as excursion. Most of the private schools in Aizawl give a due importance on the curricular aspect of education. Curriculum is not single criteria for an overall development of a child. In fact, the holistic growth as well as to develop the various facets of personal development of children; classroom teaching should be supplemented with co-curricular activities. These out of class activities affect all domains of life such as cognitive (intellectual), emotional, social, moral, cultural and aesthetic. Co-curricular activities meaning are more focused upon cognitive aspects thereby help in intellectual development. Competitiveness, excellence, quality achievements, creativeness and enthusiasm are few of the ethics of extra-curricular activities and also strengthen the meaning of co curricular activities in school. So we can say that the private schools in Aizawl have to focus on not only on curriculum aspect but also should strive hard in conducting more and more co-curricular activities in the schools.

4.12. Concluding Remark

This chapter studied the main features of private schools in Aizawl based on 40 schools. From these 40 schools we see that private schools in Aizawl had emerged as a major player in imparting education in the city of Aizawl in particular and for the state as a whole. From the 40 schools selected it can be concluded that private schools in Aizawl are rapidly increasing after the 1990s and it provides a stop-gap arrangement for employment seekers. These 40 schools total enrolment percentage to the total state student's enrolment in the year 2008

was 5.92 percent. In terms of employment of labour, private schools employed more female workers than their male counterpart.

A key question on teacher pay in private schools is that of understanding who the private school teachers are, and the reasons for their being willing to work at such low salaries. Our study suggested that the availability of these inexpensive teachers in the villages is being driven by local educated youth who are typically unable to find jobs, unwilling (and usually not needed) to work in agriculture, and not looking at teaching as a long-term career. Also, finally teaching provides them with both income and respectability while they also look at other long-term options.

Efforts to improve the quality of education in India should consider the private as well as public sector – especially since the former are disproportionately located where the public system is failing. For example, policy makers might consider the possibility of offering short training courses to raise skills among private school teachers.

Finally, there may be scope for public private partnerships in education, whether in the form of voucher programs or otherwise. One issue with voucher programs is whether there will be an adequate supply response, but the evidence suggests that private schools are already widespread and that new schools can be created rapidly.

5.1 INTRODUCTION

This study focused on the economics of private school industry so as to see the structure, cost, revenue and profit of private schools in Aizawl. We have learnt that the private schools industry has grown rapidly over time in terms of numbers. There are quite several studies on the growth of education and schooling in Aizawl but there is a very little study on the economic side of schooling, particularly the revenue and cost generated by the private schools industry. It can be assumed that most of the entrepreneurs of private schools are unaware of the implicit and hidden costs bear by the owners of the existing private schools. This study might be useful for the private school aspirants since it tries to reflect on the optimum level of output and what amount of labour will be optimal in earning profits.

5.2 SOURCES OF REVENUES OF PRIVATE SCHOOLS IN AIZAWL

Primarily, the sources of revenue of a private school are: (a) Admission fees and (b) Tuition fees collected from the students enrolled in the school. These two are the common and dominant sources of revenues. The prospects and the popularity of exposure to computers to the children have imparted a new impetus to the avenues of earning. Some schools,

Table 5.1: Revenue from Admission Fees in Private Schools in Aizawl

Sl no	Total no. Students in the School	Standard Of the School	Lower		Secondary		H.S.S		Annual Revenue Admission Fees (rupees)
			NS	Fee/Y	NS	Fee/Y	NS	Fee/Y	
1	1130	12	293	1186	423	1186	414	1186	1340180
2	1237	12	0	0	735	2950	502	2950	3301050
3	978	12	0	0	538	310	440	900	562780
4	1100	7	1100	500	0	0	0	0	550000
5	266	7	266	800	0	0	0	0	212800
6	437	10	332	1350	105	1850	0	0	642450
7	1480	12	763	1500	515	1500	202	1500	222000
8	674	10	315	1300	359	1300	0	0	876200
9	616	7	616	1000	0	0	0	0	616000
10	202	7	160	600	42	600	0	0	121200
11	185	7	185	500	0	0	0	0	92500
12	214	10	135	300	79	500	0	0	80000
13	188	12	0	0	94	950	94	1350	216200
14	150	12	60	500	70	500	20	500	75000
15	784	10	666	2155	118	2155	0	0	1689520
16	58	10	0	0	58	600	0	0	34800
17	767	12	0	0	217	2250	550	2250	1725750
18	179	12	0	0	93	750	86	1000	155750
19	764	7	764	800	0	0	0	0	611200
20	174	7	174	0	0	0	0	0	0
21	603	7	603	900	0	0	0	0	542700
22	600	12	0	0	446	2700	154	3000	1666200
23	197	7	197	850	0	0	0	0	167450
24	192	12	0	0	73	850	119	850	163200
25	108	10	0	0	108	1000	0	0	108000
26	190	12	0	0	29	1250	161	1250	237500
27	115	10	0	0	115	650	0	0	74750
28	393	7	393	800	0	0	0	0	314400
29	111	7	111	500	0	0	0	0	55500
30	121	7	121	900	0	0	0	0	108900
31	180	12	0	0	86	3000	94	3000	540000
32	205	5	205	500	0	0	0	0	102500
33	90	7	90	500	0	0	0	0	45000
34	361	12	0	0	0	0	361	1500	541500
35	121	12	0	0	74	1500	47	1500	181500
36	302	10	0	0	302	700	0	0	211400
37	284	12	99	2400	90	3100	95	3100	811100
38	160	7	160	300	0	0	0	0	48000
39	107	7	107	250	0	0	0	0	26750
40	220	10	0	0	0	1500	0	0	330000

NS = No. of Students; Fee/Y = Admission Fees per Year (in Rs) Source: Field Survey

therefore, have computer exposure programmes and they charge fees for the same. While there are schools that have computer exposure programmes but they do not charge fees. These are mainly done to attract consumers. Additionally, some schools received aid (grants) from the government as well as individuals. From the study we came to find out that running a hostel plays a vital role in the sources of revenue of the private schools industry in Aizawl. The following table 5.1 shows the detailed revenue from admission fees of the private schools industry.

Table 5.1 shows the detail structure of admission fees of 40 private schools in Aizawl**.** Different schools fixed their fees (admission) according to their own policies and requirement. In the year 2008 there are 12 schools that charge above one thousand (Rs.1000) rupees as admission. Clearly it can be seen that the schools having larger enrolment received/earned larger money from admission fees. From the empirical analysis we also find that 80% of the first four schools (#1,#2,#3,#4) teachers' salary have been financed by the government, so these schools are by rules do not charge tuition fee to their students. For these schools admission fee is the main source of revenue from users called as students. Small schools on the hand fixed their fees by looking on how their rival competitors have fixed their price (fees). The entry into the market is easy so for attracting consumers newly entrants have charged lower admission fee.

Table 5.1 (i). Revenue from Tuition Fees in Private Schools in Aizawl

Sl no	Total no. Students in the School	Standard of the School	Lower		Secondary		H.S.S		Tuition Fees (rupees)
			NS	Fee/M	NS	Fee/M	NS	Fee/M	
1	1130	12	293	200	423	0	414	0	703200
2	1237	12	0	0	735	0	502	0	0
3	978	12	0	0	538	0	440	0	0
4	1110	7	1110	200	0	0	0	0	2640000
5	266	7	266	300	0	0	0	0	957600
6	437	10	332	300	105	350	0	0	1636200
7	1480	12	763	500	515	500	202	500	8880000
8	674	10	315	300	359	400	0	0	2857200
9	616	7	616	400	0	0	0	0	2956800
10	202	7	160	300	42	300	0	0	727200
11	185	7	185	250	0	0	0	0	555000
12	214	10	135	200	79	250	0	0	561000
13	188	12	0	0	94	300	94	300	676800
14	150	12	60	300	70	300	20	300	540000
15	784	10	666	350	118	350	0	0	3292800
16	58	10	0	0	58	300	0	0	208800
17	767	12	0	0	217	600	550	600	5522400
18	179	12	0	0	93	300	86	400	747600
19	764	7	764	300	0	0	0	0	2750400
20	174	7	174	250	0	0	0	0	522000
21	603	7	603	400	0	0	0	0	2894400
22	600	12	0	0	446	370	154	500	2904240
23	197	7	197	200	0	0	0	0	472800
24	192	12	0	0	73	350	119	400	877800
25	108	10	0	0	108	400	0	0	518400
26	190	12	0	0	29	250	161	250	570000
27	115	10	0	0	115	300	0	0	414000
28	393	7	393	250	0	0	0	0	1179000
29	111	7	111	200	0	0	0	0	266400
30	121	7	121	300	0	0	0	0	435600
31	180	12	0	0	86	350	94	350	756000
32	205	5	205	250	0	0	0	0	615000
33	90	7	90	300	0	0	0	0	324000
34	361	12	0	0	0	0	361	500	2166000
35	121	12	0	0	74	350	47	350	508200
36	302	10	0	0	302	300	0	0	1087200
37	284	10	99	300	90	500	95	500	1466400
38	160	7	160	200	0	0	0	0	384000
39	107	7	107	250	0	0	0	0	321000
40	220	10	0	0	220	500	0	0	1320000

Source: Field Survey NS= No. of Students: Fee/M= Tuition Fee per Month (in Rs

Table 5.1 (i) shows the detail structure of tuition fees collected by 40 private schools in Aizawl. The first four schools do not collect tuition fees since it receive grants and aid from the government. School #1 has received grants from secondary stage (i.e., financing teachers' salary), so it had collected tuition fees only on the lower section of the school students. Similarly, the government has assisted school #4 (in terms of teachers' salary) from middle section onwards so it charges tuition fees at the primary level only. School #2 and school # 3 do not charge tuition as it received grants and aid from the government on all the stage of learning (i.e., Secondary and Higher Secondary). From this analysis, it can be said that tuition fees generated the largest amount of revenue.

We have noted that most of the private schools (40 schools studied) have offered computer education in order to attract consumers (parents) by giving free computer course while some schools do not give any computer education at all. This is the main reason why the share of computer education to the total revenue is quite low. From the studies we can also find that computer education programme is not the main source of revenue, instead it is boarding facilities which earned more revenue than the former. There are 22 private schools that offer computer education and the share of computer fees is only about 4.37 percent in these private schools. The share of tuition fees is 34.69 percent of the total revenue earned in these schools while revenue from boarding shares 33.94 percent and Grants and Aids share 23.78 percent of the total revenue in these

private schools.

Table 5.1 (ii). Revenue from Computer Fees and Gross Revenue in Private Schools in Aizawl

Sl no	No. of Students	Standard	Computer Fees (Rs)			Item-wise Annual Revenue (Rs)			Gross Annual Revenue
			Per Month	Annual	Annual ID	Computer Fees [C]	Tuition Fees [T]	Admission Fees [A]	(C+T+A = [GAR]
1	1130	12	0	0	0	0	703200	1340180	2043380
2	1237	12	100	0	1200	1342800	0	3301050	4643850
3	978	12	0	0	960	516480	0	562780	1079260
4	1100	7	50	0	600	660000	2640000	550000	3300000
5	266	7	0	0	240	63840	957600	212800	1234240
6	437	7	50	0	600	262200	1636200	642450	2540850
7	1480	12	25	0	300	444000	8880000	222000	9546000
8	674	12	0	0	0	0	2857200	876200	3733400
9	616	7	0	0	0	0	2956800	616000	3572800
10	202	7	0	0	0	0	727200	121200	848400
11	185	7	0	0	0	0	555000	92500	647500
12	214	10	0	0	0	0	561000	80000	641000
13	188	12	0	0	0	0	676800	216200	893000
14	150	12	100	0	1200	180000	540000	75000	795000
15	784	10	50	0	600	470400	3292800	1689520	5452720
16	58	10	0	0	0	0	208800	34800	243600
17	767	12	0	0	0	0	5522400	1725750	7248150
18	179	12	0	0	0	0	747600	155750	903350
19	764	7	0	0	0	0	2750400	611200	3361600
20	174	7	0	0	0	0	522000	0	522000
21	603	7	0	0	0	0	2894400	542700	3437100
22	600	12	0	0	0	0	2904240	1666200	4570440
23	197	7	0	0	0	0	472800	167450	640250
24	192	12	0	0	0	0	877800	163200	1041000
25	108	10	0	0	0	0	518400	108000	626400
26	190	12	0	0	0	0	570000	237500	807500
27	115	10	0	0	0	0	414000	74750	488750
28	393	7	0	0	0	0	1179000	314400	1493400
29	111	7	0	0	0	0	266400	555000	821400
30	121	7	0	0	0	0	435600	108900	544500
31	180	12	0	0	0	0	756000	540000	1296000
32	205	5	0	0	0	0	615000	102500	717500
33	90	7	0	0	0	0	324000	45000	369000
34	361	12	0	0	0	0	2166000	541500	2707500
35	121	12	0	0	0	0	508200	181500	689700
36	302	10	0	0	0	0	1087200	211400	1298600
37	284	10	300	0	0	85200	1466400	811100	2277500
38	160	7	0	0	0	0	384000	48000	432000

39	107	7	0	0	0	0	321000	26750	347750
40	220	10	0	0	0	0	1320000	330000	1650000

Source: Field Survey

Table 5.1 (iii). Boarding in the Private Schools in Aizawl

Sl. No.	No. of Students	No. of Boarders	Monthly Boarding Charges	Annual Boarding Revenue	Boarding % to total students	Year of Establish-ment
1	1130	89	2000	1780000	7.87	1950
2	1237	20	2500	500000	1.79	1954
3	978	65	1000	650000	6.65	1962
4	1100	0	0	0	0	1969
5	266	8	2000	160000	3.01	1984
6	437	37	3000	1110000	8.47	1985
7	1480	120	3500	4200000	8.11	1986
8	674	141	3250	4582500	20.92	1987
9	616	0	0	0	0	1988
10	202	0	0	0	0	1992
11	185	0	0	0	0	1991
12	214	10	2000	200000	4.67	1991
13	188	59	2500	1475000	31.38	1992
14	150	40	2500	1000000	26.67	1992
15	784	40	2500	1000000	5.1	1994
16	58	40	2500	1000000	68.97	1996
17	767	150	3250	4875000	19.56	1996
18	179	40	2500	1000000	22.35	1997
19	764	0	0	0	0	1998
20	174	0	0	0	0	1998
21	603	0	0	0	0	1999
22	600	70	3250	2275000	11.67	1999
23	197	15	2500	375000	7.61	1999
24	192	56	3000	1680000	29.17	1999
25	108	25	2500	625000	23.15	1999
26	190	25	2500	625000	13.16	2000
27	115	41	2500	1025000	35.65	2000
28	393	0	0	0	0	2001
29	111	0	0	0	0	2001
30	121	0	0	0	0	2001
31	180	70	2500	1750000	38.89	2002
32	205	0	0	0	0	2003
33	90	0	0	0	0	2003
34	361	60	2500	1500000	16.63	2003
35	121	52	2500	1300000	42.97	2004
36	302	80	2500	2000000	26.49	2004
37	284	90	2800	2520000	31.69	2006
38	160	0	0	0	0	2006

39	107	0	0	0	0	2007
40	220	56	3000	1680000	25.45	2003

Source: Field survey

Table 5.1 (iii) shows monthly boarding charge and annual revenue generated by each individual firm (school). Inclusion of revenue from boarding in calculation of revenue might draw biases, but for the private schools industry in Aizawl running a hostel contributes greatly to profits generation. From this study we found that 26 schools out of 40 schools have run hostel suggesting that running a hostel is used as an extension of scale of operation and for covering the expenses met on teachers and non-teaching staff salary. Running of hostel is especially important for the low enrolment schools. The lowest number of enrolment school that is school # 16 which enrolled only 58 students have boarding percentage of almost 70 percent to the total number of students.

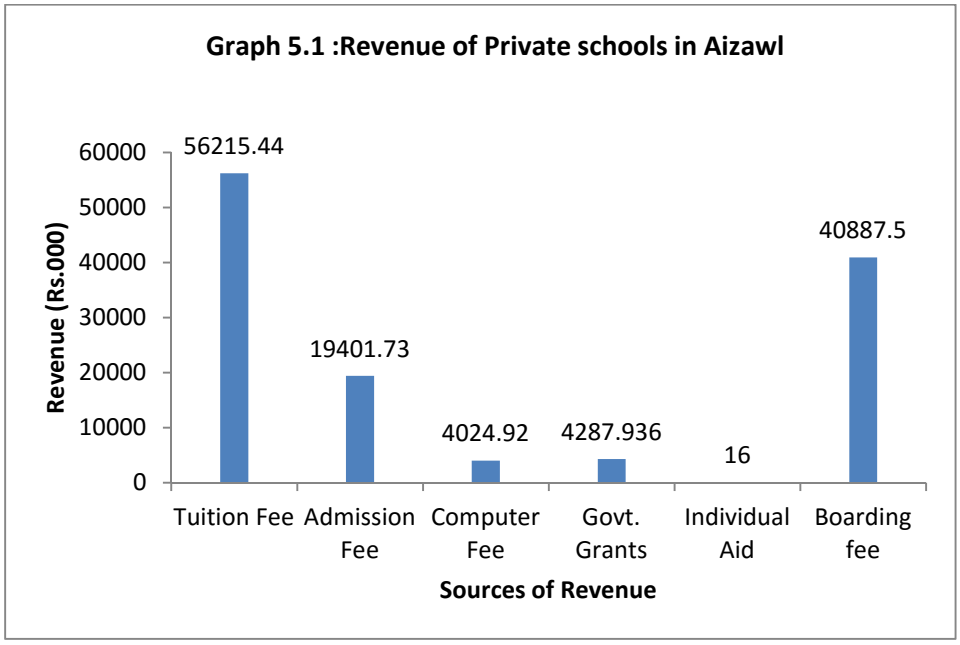
The following table, Table 5.1 (iv) presents the overall revenues incurred by 40 private schools, the details of which is shown in the tables 5.1, 5.1(i), 5.1(ii) and 5.1(iii) above.

Table 5.1 (iv): Revenue of Private schools in Aizawl

Sources of Revenue	Tuition Fee	Admission Fee	Computer Fee	Govt. Grants	Individual Aid	Boarding Fee	Total
Revenue (Rs.000)	56215.44	19401.73	4024.92	4287.936	16	40887.5	124833.5

Revenue (%)	45.032	15.542	3.224	3.435	0.013	32.754	100

Source: Field Survey



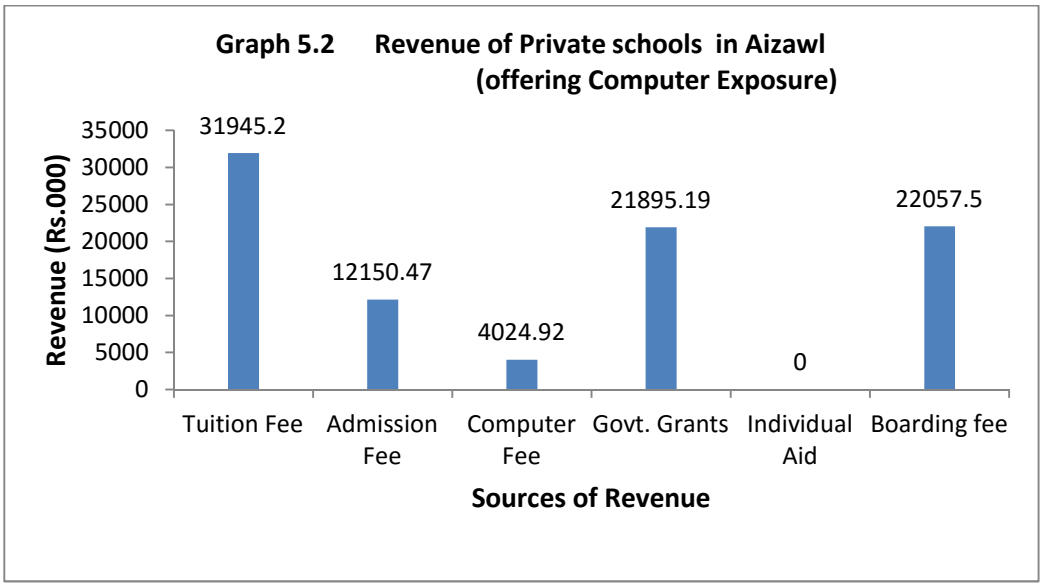
Tuition fees generated 45% (approx) of the total revenue followed by Boarding fees (32.754%), while Admission fees generates 15.542% of the total revenue, making up over 93 percent of the total revenue of private schools. However, computer fees are not a source of revenue to all schools. Only 22 schools from the total of 40 schools provided computer exposure. In these schools, computer fees contributed 3.224 percent to the total revenue. Grants and aid from Government and individuals are available only to 7 schools. The revenue from grants and aid make up a meager 3.435 percent of the total revenue of the 40 private schools. From this analysis, it can be said that monthly tuition fees are the major contributor amongst the other sources of revenue for all the schools. The second source of revenue is from the boarding fees which accounted for 32.754 percent of the total revenue. When observed

generally, admission fees are likely to be the major source of revenue but due to the competition among the schools within the city, many schools are giving lower rate of admission fees. This reduced the admission fees as a major source of revenue.

Table 5.1 (v): Revenue of Private schools (offering Computer Exposure) in Aizawl

Sources of Revenue	Tuition Fee	Admission Fee	Computer Fee	Govt. Grants	Individual Aid	Boarding Fees	Total
Revenue (Rs.000)	31945.2	12150.47	4024.92	21895.19	0	22057.5	92073.27
Revenue (%)	34.69	13.2	4.37	23.78	0	23.96	100

Source: Field Survey



Out of the 40 schools surveyed, 22 schools offer computer course and the above table; Table 5.1 (v) presents the sources of revenue for these schools. The

major source of revenue for those schools offering computer course is also tuition fees. This can be attributed to the fact that majority of the schools offering computer course do not charge fees for the same as the course is offered to attract students. This can also be due to the competition faced by the schools within the study area.

Out of the 40 schools surveyed, there are 7 schools receiving grants/aid from the state government as shown in Table 5.1 (vi). Let us analyse the sources of revenue of the 7 schools. In these schools, revenue from government grants generate 51(approx.) percent of the total revenue while other sources like boarding fees (15.26 percent), Admission fees (14.47 %), Tuition fees (13.09 %) and Computer fees (5.82%) share a meager percentage in the total revenue. The study found out that schools receiving grants from the government usually did not collect tuition fee to their convenience and project cost requirement.

Table 5.1 (vi): Revenue of Private Schools (receiving Grants &Aid) in Aizawl

Sources of Revenue	Tuition Fee	Admissio-n Fee	Compute-r Fee	Govt. Grants	Individ-ual Aid	Boarding Fee	Total
Revenue (Rs. 000)	5668.2	6262.8	2519.28	22231.19	0	6605	43286.5
Revenue (%)	13.09	14.47	5.82	51.36	0	15.26	100

Source: Field Survey

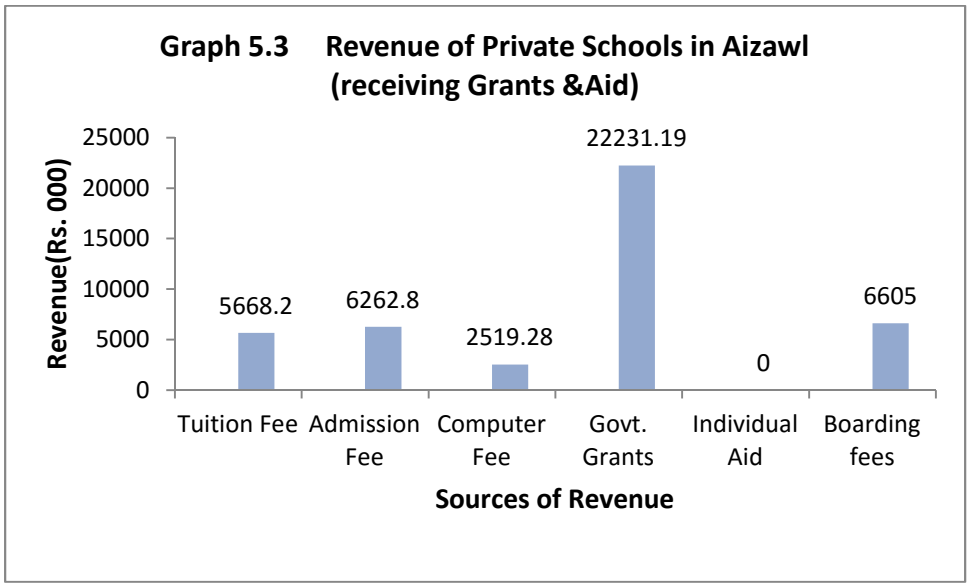
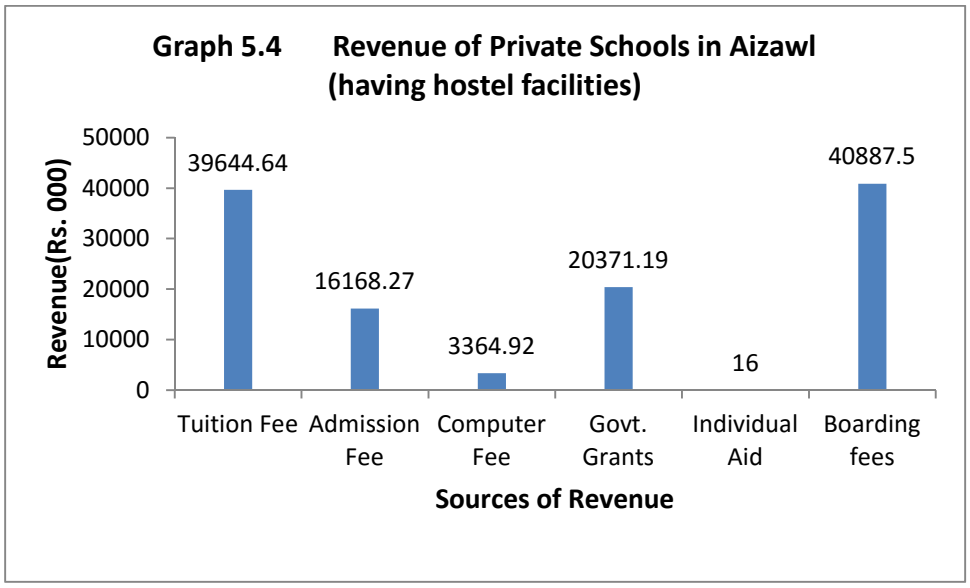


Table 5.1. (vii) analyse the share of each sources of revenue among the private schools that have provided hostel facilities. There are 26 private schools that have run a hostel. Let us analyse the sources of revenue of these 26 schools.

Table 5.1 (vii): Revenue of Private Schools (having hostel facilities) in Aizawl

Sources of Revenue No of Schools =26	Tuition Fee	Admission Fee	Computer Fee	Govt. Grants	Individual Aid	Boarding Fee	Total
Revenue (Rs. 000)	39644.64	16168.27	3364.92	20371.19	16	40887.5	120452.51
Revenue (%)	32.91	13.42	2.79	16.91	0.013	33.94	100

Source: Field Survey



When 26 schools that have run hostel have been taken together, we have found that the share of boarding fee is the highest in total revenue with almost 40 percent. Tuition fees generate 32.91 percent of the total revenue, followed by government grants which are 16.91 percent, admission fees 13.42 percent, and computer fees 2.79 percent, while individual aid share a little percentage of over 0.013 percent of the total revenue. Thus we can see that running a hostel is one of the major sources of revenue in Aizawl.

5.3. ITEMS OF EXPENDITURE IN PRIVATE SCHOOLS IN AIZAWL

Salary of teachers is the dominant item of expenditure incurred by the schools. Private schools employed 726 teachers (in year 2008, sample schools 40) of whom 338 are graduates, 24 matriculates, 67 HSSLC and 254 PG degree holders. Few schools employed theologian as well as computer teachers. Their numbers are 5 and 38 respectively. The annual salary bill of these teachers amounts to Rs 59488200, of which Rs 1618668 (2.72%) are paid to teachers.

Table 5.2. Expenditure on Salary of Teachers in Private School in Aizawl

Sl/ no	Matriculate Teachers		Secondary Teachers		Graduate Teachers		Post Graduate Teachers		Theology Teachers		Computer Teachers		All Teachers
	No	Salary	No	Salary	No	Salary	No	Salary	No	Salary	No	Salary	Salary(TS)
1	7	11727	7	11727	15	11727	19	11727	1	5754	2	12500	7123800
2	0	0	0	0	23	10000	25	12000	4	10000	6	10000	7560000
3	0	0	0	0	21	14000	22	15000	0	0	2	8000	7680000
4	0	0	0	0	16	5500	1	5500	0	0	2	5500	1254000
5	3	3500	3	3500	6	4000	5	4500	0	0	1	4500	864000
6	2	3500	4	3000	8	4500	1	6000	0	0	2	4500	840000
7	0	0	1	5000	21	6000	25	6500	0	0	2	6000	3666000
8	1	5000	1	5500	19	5800	4	6000	0	0	2	6000	1880400
9	0	0	0	0	21	6000	5	6500	0	0	1	6000	1974000
10	2	2000	4	4000	4	3500	3	3500	0	0	1	3500	576000
11	0	0	4	2300	4	2500	1	2500	0	0	1	2500	290400
12	1	1500	1	1800	8	2500	3	2500	0	0	0	0	369600
13	0	0	0	0	6	5000	6	5000	0	0	1	4000	768000
14	3	2500	3	3000	3	5000	0	0	0	0	3	5000	558000
15	1	6300	0	0	22	7500	6	7500	0	0	3	7500	2865600
16	0	0	0	0	7	3700	1	4000	0	0	0	0	358800
17	0	0	0	0	11	8000	17	8000	0	0	0	0	2688000
18	0	0	0	0	3	3500	4	4500	0	0	0	0	342000
19	0	0	3	4000	13	4500	2	5000	0	0	0	0	966000
20	0	0	2	2000	6	3500	1	4200	0	0	1	3500	392400
21	0	0	11	5000	8	6000	4	7000	0	0	0	0	1572000
22	0	0	0	0	7	5500	16	5500	0	0	0	0	1518000
23	0	0	0	0	8	2300	1	2300	0	0	1	2300	276000
24	0	0	0	0	2	5000	10	5000	0	0	1	5000	780000
25	0	0	0	0	4	3250	2	3250	0	0	0	0	234000
26	0	0	0	0	2	3700	9	4500	0	0	0	0	574800
27	0	0	0	0	6	4500	1	5000	0	0	1	5000	444000
28	2	4000	6	4000	11	4800	0	0	0	0	1	4800	787200
29	0	0	1	2500	5	2500	2	2500	0	0	2	2500	300000
30	0	0	1	2800	7	3900	1	3200	0	0	0	0	399600
31	0	0	1	4500	4	18000	10	22000	0	0	0	0	3558000
32	0	0	3	3000	7	3500	0	0	0	0	0	0	402000
33	2	1500	2	2500	2	2500	0	0	0	0	1	2500	186000
34	0	0	0	0	0	0	15	6500	0	0	0	0	1170000
35	0	0	0	0	4	3000	4	3500	0	0	0	0	312000
36	0	0	0	0	4	5500	7	6000	0	0	0	0	768000
37	0	0	0	0	8	5500	8	6000	0	0	1	5500	1170000
38	0	0	5	1800	4	2200	1	2500	0	0	0	0	243600
39	0	0	4	2000	5	2500	0	0	0	0	0	0	246000
40	0	0	0	0	3	6500	12	7000	0	0	0	0	1242000

Source: Field Survey

having only Matric qualification, Rs 3442668 (5.79%) to HSSLC teachers, Rs 25718460 (43.23%) to Graduate teachers, Rs 25320156 (42.56%) to PG teachers, Rs 549048 (0.92%) to theology teachers and Rs 2839200 (4.77%) to computer teachers. It can be clearly seen that Graduate Teachers' share in total salary of the teachers in private schools in Aizawl is the highest which is followed by PG teachers. Table 5.2 below depicts the details of teachers' salary of the private schools industry.

These private schools employ 246 non- teaching staffs whose salary bill (annual) is Rs 5910480. Grade IV staff are in majority (123 in numbers) whose salary bill amounts to Rs 2666760 (45.12% of the total salary bill of the non-teaching staff). The salary bill of matriculate non – teaching staff is Rs 822000 (13.91%) while the salary bill of graduate non- teaching staff amounts to Rs 1851720 (31.33%). The total salary bill (teaching and non-teaching staff put together) amounts to Rs 65398680, shared by teachers (90.96% approx) and the non- teaching staff (9.04 % approx). The detail of expenses on Non-teaching staff is given in Table 5.2 (i) below;

Table 5.2(i) Expenditure on salary of Non - Teaching Staff in Private School in Aizawl

Sl/ No	Matriculate		HSSLC		Graduate		Grade IV		Salary		Salary	Salary
	Non-teaching Staff		Non-teaching Staff		Non-teaching Staff		Non-Teaching Staff		Non-teaching Staff (NTS)		Teachers	
	No	Salary	No	Salary	No	Salary	No	Salary	No	Salary	(TS)	(TS + NTS)
1	0	0	0	0	1	6210	10	3188	11	457080	7123800	7580880
2	5	8000	0	0	7	10000	3	5000	15	1500000	7560000	9060000
3	1	5000	2	5000	1	9000	3	7000	7	540000	7680000	8220000
4	0	0	1	5000	0	0	1	3000	2	96000	1254000	1350000
5	0	0	0	0	0	0	3	1500	3	54000	744000	798000
6	1	4500	0	0	0	0	0	0	1	54000	840000	894000
7	2	4500	2	4000	0	0	4	3800	8	386400	3666000	4052400
8	0	0	0	0	1	5000	1	2600	2	91200	1880400	1971600
9	0	0	1	5000	1	5000	4	3500	6	288000	1974000	2262000
10	0	0	1	4000	1	5000	2	2000	4	156000	618000	774000
11	0	0	0	0	0	0	1	1250	1	15000	290400	305400
12	0	0	0	0	0	0	0	0	0	0	369600	369600
13	0	0	0	0	0	0	2	2000	2	48000	768000	816000
14	0	0	0	0	0	0	2	1500	2	36000	558000	594000
15	1	3500	0	0	1	7500	3	2500	5	222000	2865600	3087600
16	0	0	1	2500	0	0	0	0	1	30000	358800	388800
17	0	0	0	0	2	4500	3	2200	5	187200	2688000	2875200
18	0	0	0	0	0	0	2	1300	2	31200	342000	373200
19	1	4000	0	0	0	0	2	3000	3	120000	966000	1086000
20	0	0	0	0	0	0	0	0	0	0	392400	392400
21	0	0	0	0	0	0	1	4000	1	48000	1572000	1620000
22	0	0	1	4000	1	4000	1	1500	3	114000	1518000	1632000
23	0	0	0	0	0	0	0	0	0	0	276000	276000
24	0	0	0	0	0	0	2	1500	2	36000	780000	816000
25	0	0	0	0	0	0	1	1500	1	18000	234000	252000
26	1	2500	0	0	1	3000	1	2000	3	90000	574800	664800
27	0	0	0	0	1	2500	1	2500	2	60000	444000	504000
28	0	0	0	0	0	0	1	2500	1	30000	787200	817200
29	0	0	0	0	0	0	0	0	0	0	300000	300000
30	0	0	0	0	1	3000	1	500	2	42000	399600	441600
31	0	0	0	0	1	3100	1	3100	2	74400	3558000	3632400
32	0	0	0	0	0	0	1	2000	1	24000	402000	426000
33	0	0	0	0	0	0	1	1000	1	12000	186000	198000
34	0	0	0	0	0	0	0	0	0	0	1170000	1170000
35	0	0	0	0	0	0	2	1500	2	36000	312000	348000
36	0	0	0	0	0	0	2	5000	2	120000	768000	888000
37	0	0	1	4500	4	5500	11	3000	16	714000	1170000	1884000
38	0	0	0	0	0	0	0	0	0	0	243600	243600
39	0	0	0	0	0	0	0	0	0	0	246000	246000
40	0	0	1	4500	0	0	3	3500	4	180000	1242000	1422000

Source: Field Survey

Another important item of expenditure is a collection of overhead expenses on infrastructure, scholarships and awards to students and the miscellany including school functions. We have included the expenditure incurred on running a hostel. Since boarding/hostels contribute greatly to the profits earned by the private schools industry in Aizawl, therefore, we give great importance on boarding revenue and expenditure. Moreover, 27 out of 40 private schools have run a hostel in order to generate profits. The total amount of overhead expenses (in the year 2008) was of the order of Rs 159.96 lakhs, of which about 81 % were spent on school infrastructure, 2.7% on scholarships and awards, 16 % on miscellaneous heads including school functions (this includes stationery, electricity bill, water supply bill, telephone bill, etc., which is important for day to day running of the school). As mentioned earlier, running a boarding facility is a big business for private schools in Aizawl, the share of miscellaneous expenditure occupied 61.95% of the total overheads expenditure. About 2.14 percent is spent on Hostel infrastructure. The detail of overhead expenses and gross expenditure is shown on Table 5.2 (ii) below;

Table 5.2 (ii) Expenditure on Overheads and Gross expenditure in Private School in Aizawl

Sl/ No	Details of Overhead Expenses				Over head Expenses (OH)	Salaries (TS+NTS)	Explicit Expenses (OH+TS+NTS) =[XEXP]
	Infrastruc-ture	Buliding Rent	Awards etc	Miscelle-Nous*			
1	834204	0	7635	50000	891839	7580880	8472719
2	500000	0	30000	60000	590000	9060000	9650000
3	1369656	0	31311	193699	1594666	8220000	9814666
4	2000000	0	0	100000	2100000	1350000	22350000
5	50000	30000	7000	10000	97000	798000	886000
6	0	300000	5000	20000	325000	894000	1219000
7	0	720000	30000	156000	906000	4052400	4958400
8	0	720000	10000	100000	830000	1971600	2801600
9	21799	0	29670	51871	103340	2262000	2365340
10	4000000	0	10000	200000	4210000	774000	4984000
11	0	108000	10000	5000	123000	305400	428400
12	20000	0	0	8000	28000	369600	397600
13	0	300000	0	96000	396000	816000	1212000
14	0	0	5000	1000	6000	594000	600000
15	2760000	0	25000	90000	2875000	3087600	5962600
16	0	132000	5000	8000	145000	388800	533800
17	0	684000	6000	200000	890000	2875200	3765200
18	25000	0	3000	1000	29000	373200	402200
19	0	0	20000	40000	60000	1086000	1146000
20	20000	0	0	9600	29600	392400	422000
21	70000	0	10000	80000	160000	1620000	1780000
22	0	660000	8400	168000	836400	1632000	2468400
23	0	0	0	0	0	276000	276000
24	0	240000	12000	12000	264000	816000	1080000
25	0	120000	1500	3000	124500	252000	376500
26	700000	300000	0	60000	1060000	664800	1724800
27	9500	0	4000	5000	18500	504000	522500
28	150000	0	72000	36000	258000	817200	1075200
29	20000	0	500	3000	23500	300000	323500
30	0	36000	6000	10000	52000	441600	493600
31	0	120000	0	20000	140000	3632400	3772400
32	250000	0	3000	4000	257000	426000	683000
33	8000	0	2500	5000	15500	198000	213500
34	0	282000	0	72000	354000	1170000	1524000
35	145000	240000	2500	12000	399500	348000	747500
36	0	240000	5000	30000	275000	888000	1163000
37	0	480000	35000	30000	545000	1884000	2429000
38	10000	60000	4000	20000	94000	243600	337600
39	2000	60000	1500	8500	72000	246000	263000
40	20000	480000	30000	600000	1130000	1422000	2552000

Source: Field Survey Note: * Includes expenses on school functions

The third major head of expenditure is the house rent paid to the owner of the building/premises which houses the school. Many schools (21 in number) pay rent to the owners of the building (shown in Table 5.3(iii). The total amount of rent paid by the schools (annually) is Rs 6037000 (only on school building). The total rent paid on running a hostel is Rs 978000.

The overall expense on overhead is shown in Table 5.2 (iii) below. Here we have observed that school #1, #2, #4 and #10 spend extremely high amount of capital on infrastructure, which as well affect the profits of the private schools industry. Out of the overall expenses on overhead the share of infrastructure was 81 percent approximately while scholarship, awards and miscellaneous items share a meager percentage to the total overhead.

Table 5.2 (iii). Overhead Expenses in Private Schools in Aizawl

Overhead Expenses	Infrastructure	Awards & Scholarship	Miscellaneous	Overhead Expenses
Overhead Expenditure (Rs. 000)	12985.16	432.52	2578.67	15996.34
% to total Overhead Expenses	81.18	2.70	16.12	100

Source: Field Survey

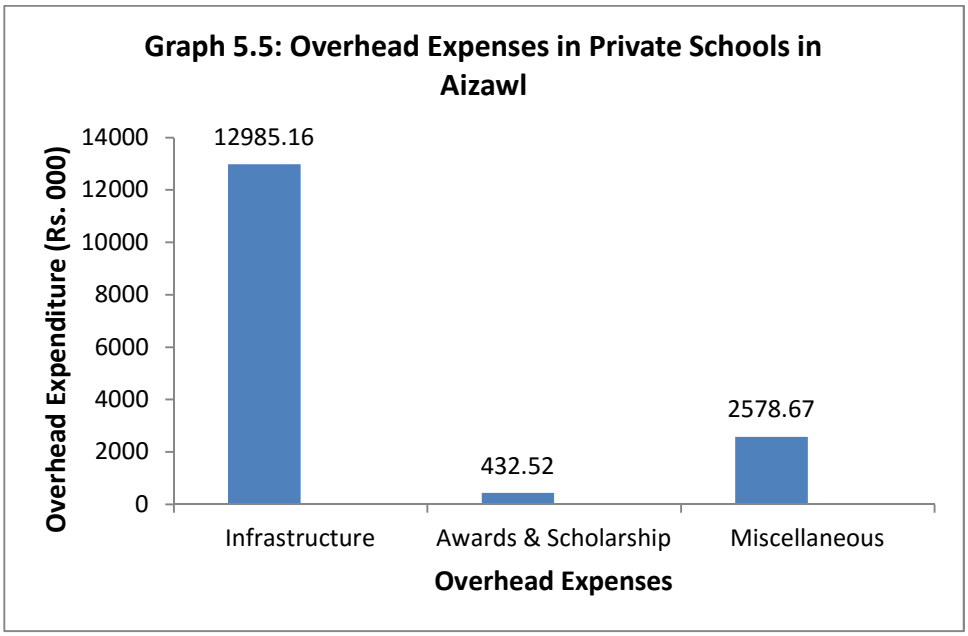
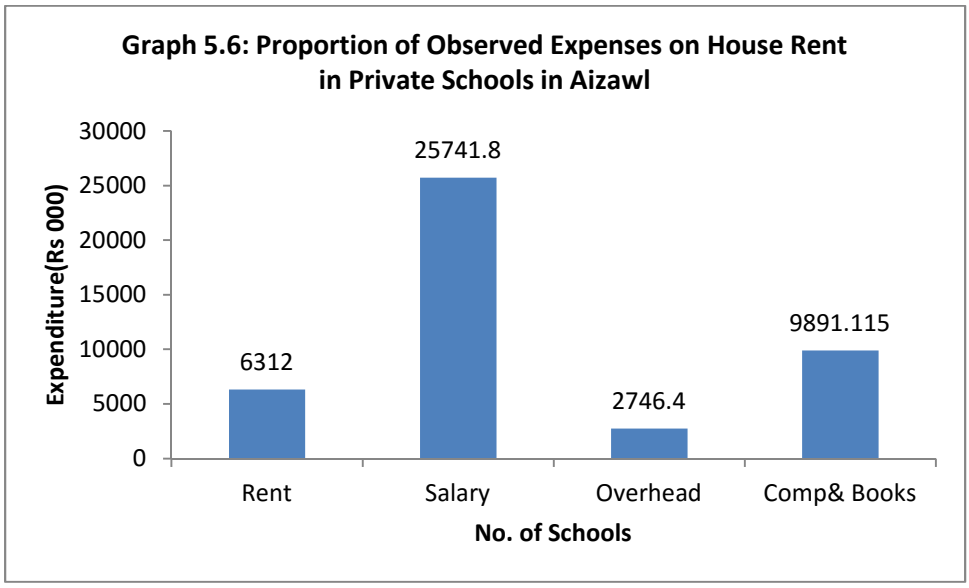


Table 5.2 (iv) below shows the schools which paid rent to the landlord. There are 21 schools (out of 40 schools) that pay rent for hiring of lands and buildings. Taking these 21 schools together we have observed that rent occupy 14.12 percent of the total expenses while the percentage share of salary was the highest occupying almost 58 percent of the total expenses.

Table 5.2 (iv). Proportion of Observed Expenses on House Rent in Private Schools in Aizawl

No. of Schools=21	Rent	Salary	Overhead	Comp& Books	Total
Expenditure(Rs 000)	6312	25741.8	2746.4	9891.115	44691.315
% Expenditure	14.12	57.60	6.14	22.13	100

Source: Field Survey



Having accounted for the revenue and expenditure of the private schools in Aizawl, we may proceed to work out profit/loss incurred to them. However, we must note that the majority of schools have to pay rent, while some of them spend a sizeable amount on house rent. Under this situation, unless we work out the imputed value of rent for each school, consider them as hidden cost and add to their total expenses, computation of profit and loss will be biased. The total cost of running the school will be significantly underestimated. Additionally, some schools impart computer awareness to their students and earn a significant amount as computer fees. Expenditure on computer at an annualized basis has to be included in the total expenditure lest costs are under- estimated. Schools maintain a school library and expenses on building up the library must be included in the total expenditure. Furthermore, private schools run hostels and for small schools it is that main source of profits. We, therefore, included the revenue and cost from running hostel in total revenue and expenses respectively.

5.4. IMPUTATATION OF HOUSE RENT

We have observed that the schools that pay rent incur an expenditure on rent, which is 14.12 percent of the total expenditure. To find out the imputed rent we have considered and assume that on an average, rent would be proportional to the number of rooms in the school building. Taking a clue from the schools that actually pay rent and the number of rooms these schools have in their school building, we have devised an empirical formula in which imputed rent is a function of the number of rooms the school is housed in. Furthermore, different schools are housed in different types of buildings. Some schools are housed in single-storeyed pucca buildings, occupying larger space (code 1), while some others are housed in multi- storeyed pucca buildings (code 2) that occupy smaller space. Yet other schools are housed in kutcha buildings (naturally singled storeyed). Since house rent is dependent on the type of the building as well as space occupied by it, we have incorporated this information in the formula. Accordingly, our formula is expressed as:

IR = Imputed Rent [RENT] = Max {32400*(NR/BT), RENT}

In the formula given above, NR stands for the total number of rooms in the school building, BT stands for the building type (1 for pucca – single – storeyed, 2 for pucca – multi – storeyed and 3 for kutcha) and RENT stands for the actual amount of rent paid, if any. This formula is the simplest representation of those considerations that take care of the rate of substitution between the cost of land (plot) required for constructing a given number of rooms in a singled – storeyed pucca building and the cost of a multi – storeyed- pucca building erected on a smaller plot of land, but having the same number of rooms. We are aware of

the fact that the cost of a building depends on many factors. The cost of the land plot, the cost of materials used, roof material and roof design, design of the building, factor of commonness of the walls, ceiling height, cost of construction of stair cases, type of the fixture and the finishing of the interior and the exterior of the building, cost of landscaping, size of the open space with respect to the built- up area, size of the floor/carpet area, size of rooms, etc. determine the cost of building and its rental value. Further, the cost of land and the opportunity cost of a building depend on the location of a building in the city. Ideally, one may incorporate all these factors in computing the imputed value of rent. The age of a building also matters since buildings depreciate over time. We have not gone into these tedious details and used the formula stated above.

If we compute IR = Max (32400* NR/BT, RENT), the share of house rent in the total expenditure is 14.10 percent. We have seen that for those schools that actually pay the rent, the percentage expenditure on rent is 14.12 percent. The difference is too small to be significant for any practical purpose. Hence the formula [IR= Max (32400*NR/BT, RENT] is used to compute the value of rent. Table 5.3 below shows the imputed value of rent paid by the firms (schools) and the actual rent paid by the schools.

Table 5.3 Imputation of Rental Expenses in Private Schools in Aizawl

Sl/ No	Various Types of Rooms in The School Building						Total No. of Rooms (NR)	Imputed value Per Year (IR)	Actual Rent paid Per Year (Rs)
	Building Type (BT)	No of Class Rooms (NC)	Office Rooms (NO)	Confe-rence Hall (CH)	Heads Rooms (HR)	Other Rooms (OR)			
1	1	36	6	1	1	8	52	1684800	0
2	1	26	1	1	1	7	36	1166400	0
3	1	18	6	1	2	2	29	939600	0
4	1	25	1	1	1	2	30	972000	0
5	2	12	1	0	1	4	18	291600	30,000
6	2	12	1	0	1	0	14	226800	300000
7	2	22	4	0	1	2	29	939600	720000
8	2	16	3	0	1	0	20	648000	720000
9	1	19	3	0	1	1	24	388800	0
10	1	11	1	1	1	3	17	275400	0
11	1	9	1	0	1	1	12	194400	108000
12	1	12	1	0	0	0	13	210600	0
13	1	8	1	0	1	0	10	162000	300000
14	1	12	2	1	1	1	17	550800	0
15	1	20	3	1	1	3	28	907200	0
16	2	4	1	0	0	2	7	113400	132000
17	1	12	3	0	1	0	16	518400	684000
18	2	5	1	0	1	1	8	129600	0
19	1	18	2	1	1	2	24	388800	0
20	3	9	1	0	1	1	12	129600	0
21	1	7	1	1	1	2	11	178200	0
22	1	14	1	0	1	2	18	583200	660000
23	2	9	1	0	1	1	12	194400	0
24	1	7	1	1	1	2	12	194400	240000
25	1	3	1	0	1	1	6	97200	120000
26	1	6	2	0	1	5	14	453600	300,000
27	2	4	2	0	1	3	10	108000	0
28	1	10	2	0	1	2	15	243000	0
29	1	10	2	0	1	1	14	226800	0
30	1	7	1	0	1	0	9	145800	36000
31	1	7	1	1	1	2	12	194400	120000
32	1	10	1	0	0	1	12	194400	0
33	1	9	1	0	0	0	1	162000	0
34	1	6	2	0	1	0	9	145800	282000
35	1	4	1	0	1	1	7	113400	240,000
36	1	6	1	1	2	1	11	178200	240000
37	2	12	4	1	1	3	21	340200	480,000
38	3	9	1	0	0	1	11	118800	60000
39	3	8	1	0	0	0	9	97200	60000
40	2	7	3	1	1	4	16	259200	480,000

Note: IR = Imputed Rent [IRENT] = Max {32400*NR/BT, RENT}

Source: Field Survey

5.5. IMPUTED VALUE OF EXPENDITURE ON LIBRARY AND COMPUTERS

Only 16 schools among the 40 schools studied have library. School #23 is an exception. It has 4000 books in its library. The school was established in 1999 and has 197 students on its roll in the year 2008. Another school #37 has 3000 books in its library. It was established in 2006 and has 284 students on its roll. Schools like #2, #28, #3, #9 and #4 have 2000, 1300, 1200, 1100 and 1000 books in their library respectively. Two other schools (#5 and #10) have 1500 books each in their libraries. To work out the imputed value of expenditure on library books for a particular school, we have first divided the number of books in the library of the school (concerned) by its age (on the year 2008), which yields the average annualized addition of books to the library. This is so because the books in the library accumulate over the whole life span of the school. To compute the imputed expenditure on books we have we have assumed that on an average a book costs Rs. 150. And this assumed price of the book has been multiplied by the addition of books in the library.

To compute the imputed expenditure on computers we have assumed that a computer costs Rs. 25000 and its life span is 3 years. Therefore, the annualized expenditure per computer works out at Rs 8333. We use this value uniformly to obtain the annualized expenditure on computers (no. of computers in a school times Rs. 8333). We are aware that different schools must have a stock of computers of different vintages (some worthy of being written off) since computer models change very fast. During a span of 22 years (1986 – 2008) the models based on Intel AT-80286, 80386, 80486, Pentium- I through Pentium IV

and Dual Core even Core 2 Duo (9 models) were introduced into the market. With such a fast rate of change, it is difficult to judge (unless one especially works on it) the vintage mix and the discounted value of the stock of computers that the schools have. Therefore, we have used the simple formula stated above to impute the annualized expenditure on computers incurred by different schools. The imputed annualised expenditure on library books and computers of private schools industry is depicted on Table 5.4 below.

Table 5.4: Imputed Annualized Expenditure on Library Books and Computers in Private Schools in Aizawl

Sl. No	School Library/Books			Computers		Books & Computers
	Existing Books (No)	Addition of Books (No)	Annual Imputed Value (Rs)	Number	Annual Imputed Value (Rs)	Annualised Imputed Value of Computers + Books = [CL]
1	0	0	0	15	124995	124995
2	2000	37.04	5556	53	441649	447205
3	1200	26.09	3913.5	20	166660	170573.5
4	1000	25.64	3846	20	166660	170506
5	1500	62.5	9375	7	58331	67706
6	900	39.13	5869.5	7	58331	64200.5
7	0	0	0	25	208325	208325
8	0	0	0	10	83330	83330
9	1100	55	8250	6	49998	58248
10	1500	93.75	14062.5	9	74997	89059.5
11	300	17.65	2647.5	5	41665	44312.5
12	0	0	0	1	8333	8333
13	0	0	0	11	91663	91663
14	0	0	0	11	91663	91663
15	500	35.71	5356.5	15	124995	130351.5
16	100	8.33	1249.5	2	16666	17915.5
17	0	0	0	0	0	0
18	0	0	0	2	16666	16666
19	200	20	3000	1	8333	11333
20	150	15	2250	4	33332	35582
21	0	0	0	0	0	0
22	0	0	0	2	16666	16666
23	4000	444.4	66660	3	24999	91659
24	0	0	0	10	83330	83330
25	200	22.22	3333	0	0	3333
26	0	0	0	0	0	0
27	0	0	0	4	33332	33332
28	1300	185.71	27856.5	3	24999	52855.5
29	0	0	0	1	8333	8333
30	0	0	0	0	0	0
31	0	0	0	0	0	0
32	0	0	0	0	0	0
33	0	0	0	1	8333	8333
34	0	0	0	0	0	0
35	0	0	0	0	0	0
36	0	0	0	2	16666	16666
37	3000	1500	225000	8	66664	291064
38	0	0	0	0	0	0
39	0	0	0	0	0	0
40	0	0	0	0	0	0

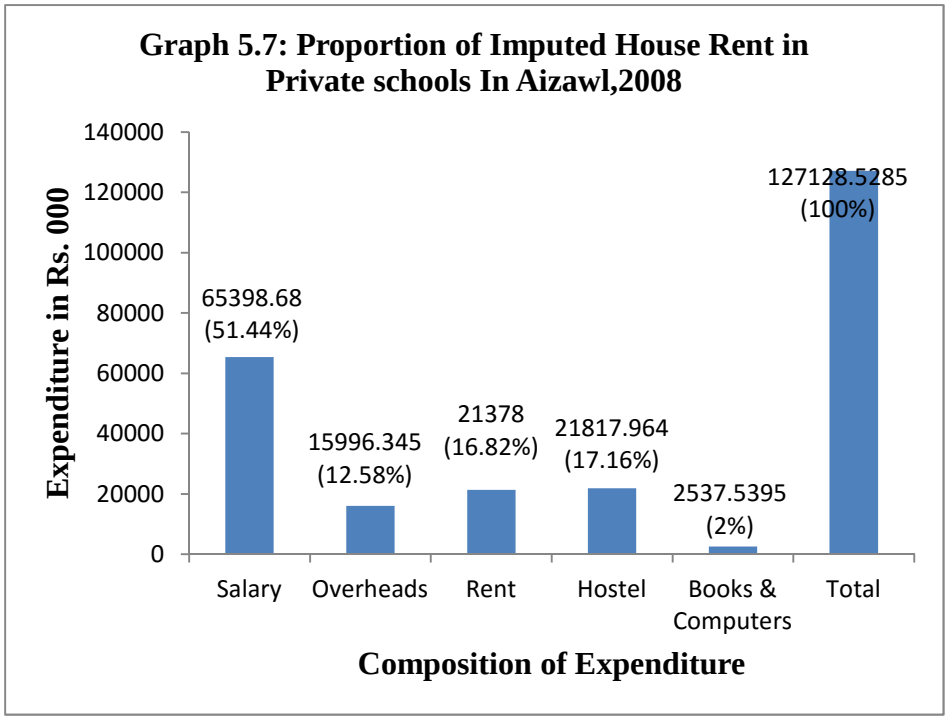
Source: Field Survey

5.6. COMPOSITION OF EXPENDITURE INCURRED BY PRIVATE SCHOOLS IN AIZAWL

Table: 5.5. Proportion of Imputed House Rent in Private Schools in Aizawl

No. of school = 40	Salary	Overheads	Rent	Hostel	Books & Computers	Total
Expenditure Rs.000	65398.68	15996.35	21378	21817.96	2537.54	127128.53
% Expenditure	51.44	12.58	16.82	17.16	2	100

Source: Field Survey



As presented in Table 5.5 above, if we incorporate the imputed expenses on rent, library books and computers, and the expenses on running a hostel the

composition of expenditure incurred by the private schools in Aizawl works out to be as: Salary (51.44%), other overhead expenses (12.58%), House Rent actual or imputed (16.82%), hostel (17.16%) and Computers and Library books (2%). This composition is quite expected. A private school is a labour intensive industry. It does not require much capital investment except in housing the school and some necessary furniture and fixture. Most of the schools have a small library and there are many who do not have library at all. Up to Class X there is not much need to invest in laboratories either. For higher secondary classes (for Science students) some expenditure on laboratory is incurred. In total the private schools have 247 computers (based on 40 private schools) with an estimated investment of Rs.61.75 lakhs approximately. Assuming that the average life of a computer is 3 years, the annualized expenses on computer is Rs 20.58 lakhs per year. It adds to the total expenditure by approximately 1.9 (2%) percent.

5.7. GROSS EXPENDITURE AND REVENUE IN PRIVATE SCHOOLS IN AIZAWL

After calculating out all the expenditure and revenue generated by the private schools industry in Aizawl we have calculated out the gross revenue and gross expenditure incurred by each firms. Table 5.6 depicts the gross revenue and expenditure incurred by the private schools industry. Here imputed house rent is used instead of actual rent paid by the 21 schools. Because of this imputed house into the total expenses (leaving out revenue and expenses incurred on running a hostel) many well established schools in terms of students' enrolment and buildings have incurred loss. At the mean time, the first four large schools incurred a loss except school #2. In reality these four schools are the most

established schools in the city and their expenditure on infrastructure for expansion of plant was also extremely large compared to other schools. Since we have taken these expenses (imputed rent and infrastructure), the profits generated by the private schools industry is low. Moreover, the first four schools do not collect tuition fees (school #1 and #4 collect at the lower stage only) which is major contributor of revenue to the private schools industry. Since adding of imputed house rent on total expenses appears to create biases we have constructed another gross expenditure table in Table 5.6(i).

Table 5.6 shows the gross revenue and expenditure incurred by the private schools industry. The empirical analysis shows that 19 schools had incurred loss when revenue and expenditure on running a hostel is not accounted. These losses were mainly attributed by the imputed house rent and large spending on infrastructure mainly on extension and construction of new buildings. Small schools incurred losses due to small proportion of enrolment on the other hand.

Table 5.6 (i) show the surplus and deficit obtained by 40 private schools. In this table, we have found out surplus and deficit by deducting gross expenditure from gross revenue and gross income. Gross income is the total of gross revenue and any income received by the schools in the form of grants and aid from the government or individual. From Table 5.6 (i) we can observe that without incorporating revenue and expenses on running a hostel, 19 schools have incurred loss i.e. faced deficit.

Table 5.6 (ii) show the gross revenue and gross expenditure when revenue and expenses on running a hostel is included. And Table 5.6 (iii) show the complete detail of gross revenue and gross expenditure calculation of the private

schools. Table 5.6 (iv) show the calculation of surplus and deficit of the private schools industry. The empirical work shows that hostel play a major role in earning profits by the industry (private schools). When these revenue and expenses (hostel) is included the profits has come up and the loss making firms come down to 12 from 19. This clearly shows that running a hostel is important for earning a profit especially for the schools that have low enrolment.

As seen in Table 5.6 without revenue from running a hostel 19 out of 40 schools have incurred loss which is almost half the total number of school survey. This loss is attributed due to the reason that many a schools enroll less number of students and some of the highly enrolled schools incurred loss due to huge expenditure on infrastructure. Conventionally, the main sources of revenue in Private Schools are tuition fees, admission fees and computer fees. However, this is quite different in the case of private schools in Aizawl. Many schools were not able to cover the salary needed to be paid to the labours and land it hires from conventional source of revenue it receives.

When revenue from boarding facilities have been accounted into the total revenue of the private schools in Aizawl as we observed in Table 5.6 (v), the number of loss making firm had decline to 12 from 19. This loss after including revenue from boarding is due to the fact that some school experiences economies of scale in the form of expansion.

So we may conclude that hostel facilities is the main source of profit in Aizawl, after paying out salaries, rent and miscellaneous items from the revenue received from conventional source of school revenue. Private schools in Aizawl run their hostel at a very cheap cost but however charging a high hostel fee.

Majority of the schools could able to provide basic needs to the boarders like sufficient water, sufficient space for moving, good reading rooms, dormitory etc.

Table 5.6 :Gross Expenditure & Revenue in Private Schools in Aizawl

Sl no	Grants & Aid			Gross Annual Revenue (GAR)	Explicit Expenditure (XEXP)	Imputed Rent of School Building (IR)	Gross Income (Annual) (GAR+GA+ IA = GINC)	Gross Expenses [XEXP + IR + CL – RENT] = [GEXP]*
	Govt. Aids [GA]	INV Aids [IA]	TOTAL Aids [GA+IA]					
1	4287936	0	4287936	2043380	8472719	1684800	6331316	10282514*
2	8400000	0	8400000	4643850	12217880	1166400	13043850	9650000
3	7299252	0	7299252	1079260	9814666	939600	8378512	10924840*
4	1716000	0	1716000	3850000	22350000	972000	5566000	23492506*
5	0	0	0	1234240	886000	291600	1234240	1283012*
6	0	0	0	2540850	1219000	226800	2540850	1210001
7	0	0	0	9546000	4958400	939600	9546000	5386325
8	0	0	0	3733400	2801600	648000	3733400	2812930
9	0	0	0	3572800	2365340	388800	3572800	2812388
10	0	0	0	848400	4984000	275400	848400	5348460*
11	0	0	0	647500	428400	194400	647500	558713
12	192000	0	192000	641000	397600	210600	833000	616533
13	192000	0	192000	893000	1212000	162000	1085000	1165663
14	0	0	0	795000	600000	550800	795000	1242463
15	0	0	0	5452720	5962600	907200	5452720	7000152
16	0	0	0	243600	533800	113400	243600	533116*
17	0	0	0	7248150	3765200	518400	7248150	3599600
18	0	0	0	903350	402200	129600	903350	548466

19	0	0	0	3361600	1146000	388800	3361600	1546133
20	0	0	0	522000	422000	129600	522000	587182*
21	0	0	0	3437100	1780000	178200	3437100	1958200
22	0	16000	16000	4570440	2468400	583200	4586440	2408266
23	0	0	0	640250	276000	194400	640250	562059
24	0	0	0	1041000	1080000	194400	1041000	1117730*
25	0	0	0	626400	376500	97200	626400	357033
26	0	0	0	807500	1724800	453600	807500	1878400*
27	0	0	0	488750	522500	108000	488750	566632
28	0	0	0	1493400	1075200	243000	1493400	1371056
29	0	0	0	821400	323500	226800	821400	558633
30	0	0	0	544500	493600	145800	544500	603400*
31	0	0	0	1296000	3772400	194400	1296000	3846800*
32	0	0	0	717500	683000	194400	717500	877400*
33	0	0	0	369000	213500	162000	369000	383833*
34	0	0	0	2707500	1524000	145800	2707500	1387800
35	0	0	0	689700	747500	113400	689700	620900
36	144000	0	144000	1298600	1163000	178200	1442600	1117866
37	0	0	0	2277500	2429000	340200	2277500	2580864
38	0	0	0	432000	337600	118800	432000	396400*
39	0	0	0	347750	263000	97200	347750	300200
40	0	0	0	1650000	2552000	259200	1650000	2331200

Source: Field Survey *IR = Imputed Rent, CL = Annualised (Imputed) Expenses on Computers and Books in the Library

Table 5.6 (i). Gross Expenditure, Revenue and Surplus/Deficit in Private Schools in Aizawl (excluding boarding facilities)

Sl. No	Gross Annual Revenue [GAR]	Gross Annual Expenses [GEXP]	Gross Annual Income [GINC]	Surplus/Deficit		Profit Rates		Profit (1)/ Loss (- 1) Status of the School
				Surplus 1 [GAR – GEXP]	Surplus 2 [GINC – GEXP]	Profit Rates 1 [GAR/GEXP] Percent	Profit Rate 2 [GINC/ GEXP] Percent	
1	2043380	10282514*	6331316	-8239134	-3951198	19.87	61.57	-1
2	4643850	9650000	13043850	-5006150	3393850	48.12	135.17	1
3	1079260	10924840*	8378512	-9845580	-2546328	9.88	76.69	-1
4	3850000	23492506*	5566000	-19642506	-17926506	16.39	23.69	-1
5	1234240	1283012*	1234240	-48772	-48772	96.20	96.20	-1
6	2540850	1210001	2540850	1330849	1330849	209.99	209.99	1
7	9546000	5386325	9546000	4159675	4159675	177.23	177.23	1
8	3733400	2812930	3733400	920470	920470	132.72	132.72	1
9	3572800	2812388	3572800	760412	760412	127.04	127.04	1
10	848400	5348460*	848400	-4500060	-4500060	15.86	15.86	-1
11	647500	558713	647500	88787	88787	115.89	115.89	1
12	641000	616533	833000	24467	216467	103.97	135.11	1
13	893000	1165663	1085000	-272663	-80663	76.61	93.08	-1
14	795000	1242463	795000	-447463	-447463	63.98	63.98	-1
15	5452720	7000152	5452720	-1547432	-1547432	77.89	77.89	-1
16	243600	533116*	243600	-289516	-289516	45.69	45.69	-1
17	7248150	3599600	7248150	3648550	3648550	201.26	201.26	1
18	903350	548466	903350	354884	354884	164.70	164.70	1
19	3361600	1546133	3361600	1815467	1815467	217.41	217.41	1
20	522000	587182*	522000	-65182	-65182	88.90	88.90	-1
21	3437100	1958200	3437100	1478900	1478900	175.52	175.52	1
22	4570440	2408266	4586440	2162174	2162174	189.78	189.78	1
23	640250	562059	640250	78191	78191	113.91	113.91	1
24	1041000	1117730*	1041000	-76730	-76730	93.16	93.16	-1
25	626400	357033	626400	269367	269367	175.45	175.45	1
26	807500	1878400*	807500	-1070900	-1070900	42.99	42.99	-1
27	488750	566632*	488750	-77882	-77882	86.26	86.26	-1

28	1493400	1371056	1493400	122344	122344	108.92	108.92	1
29	821400	558633	821400	262767	262767	147.04	147.04	1
30	544500	603400*	544500	-58900	-58900	90.24	90.24	-1
31	1296000	3846800*	1296000	-2550800	-2550800	33.69	33.69	-1
32	717500	877400*	717500	-159900	-159900	81.78	81.78	-1
33	369000	383833*	369000	-14833	-14833	96.14	96.14	-1
34	2707500	1387800	2707500	1319700	1319700	195.09	195.09	1
35	689700	620900	689700	68800	68800	111.08	111.08	1
36	1298600	1117866	1442600	180734	180734	116.17	116.17	1
37	2277500	2580864*	2277500	-303364	-303364	88.25	88.25	-1
38	432000	396400	432000	35600	35600	108.98	108.98	1
39	347750	300200	347750	47550	47550	115.84	115.84	1
40	1650000	2331200	1650000	-681200	-681200	70.78	70.78	-1

Source: Field Survey

*Note: All measures are at the annual level (No. in Number, Amounts in Rs.) and refer to the year 2008. * Actual rent paid, ** Includes expenses on school function and the actual rent paid is used.*

Table 5.6: (ii) Gross Expenditure & Revenue in Private Schools in Aizawl (when Expenses & Revenue from running a Hostel is Included) -I

Sl. No.	Grants & Aid			Gross Annual Revenue (GAR)	Explicit Expenditure (XEXP)	Imputed Rent of School Building [IR]	Gross Income (Annual)	Gross Expenses [XEXP + IR + CL – RENT] = [GEXP]*
	Govt. Aids [GA]	INV Aids [IA]	TOTAL Aids [GA+IA]					
1	4287936	0	4287936	3824566	10091000	1684800	3824566	11900795
2	8400000	0	8400000	5143850	12454880	1166400	13543850	9887000
3	7299252	0	7299252	1729260	10384599	939600	9028512	11494773
4*	1716000	0	1716000	3850000	22350000*	972000	5566000	23492506
5	0	0	0	1394240	966000	291600	1394240	1295306
6	0	0	0	3650850	2144000	226800	3650850	2135001
7	0	0	0	13746000	6758400	939600	13746000	7186325
8	0	0	0	8315900	5621600	648000	8315900	5632930
9	0	0	0	3572800	2365340	388800	3572800	2812388
10	0	0	0	848400	4984000	275400	848400	5348460
11	0	0	0	647500	428400	194400	647500	559113
12	192000	0	192000	841000	527600	210600	1033000	746533
13	192000	0	192000	2368000	2097000	162000	2560000	2050663
14	0	0	0	1795000	854000	550800	1795000	1496463
15	0	0	0	6452720	6545350	907200	6452720	7582902
16	0	0	0	1243600	1133800	113400	1243600	1133116
17	0	0	0	12123150	6015200	518400	12123150	5849600
18	0	0	0	1903350	817200	129600	1903350	963466
19	0	0	0	3361600	1146000	388800	3361600	1546133
20	0	0	0	522000	422000	129600	522000	587182
21	0	0	0	3437100	1780000	178200	3437100	1958200
22	0	16000	16000	6845440	4048400	583200	6861440	39888266
23	0	0	0	1015250	426000	194400	1015250	712859
24	0	0	0	2721000	1920000	194400	2721000	1957730
25	0	0	0	1251400	676500	97200	1251400	657033
26	0	0	0	1432500	1974800	453600	1432500	2128400
27	0	0	0	1513750	885500	108000	1513750	1026832
28	0	0	0	1493400	1075200	243000	1493400	1371056
29	0	0	0	821400	323500	226800	821400	558633
30	0	0	0	544500	493600	145800	544500	603400
31	0	0	0	3046000	4452400	194400	3046000	4526800
32	0	0	0	717500	683000	194400	717500	877400
33	0	0	0	369000	213500	162000	369000	383833
34	0	0	0	4207500	1922000	145800	4207500	1785800
35	0	0	0	1989700	1267500	113400	1989700	1140900
36	144000	0	144000	3298600	2543000	178200	3442600	2497866
37	0	0	0	4797500	3779000	340200	4797500	3930864
38	0	0	0	432000	337600	118800	432000	396400
39	0	0	0	347750	263000	97200	347750	300200
40	0	0	0	3330000	3392000	259200	3330000	3171200

Source: Field Survey

Table 5.6 (iii): Gross Expenditure & Revenue in Private Schools in Aizawl (when Expenses & Revenue from running a Hostel is Included) -II

Sl. No.	Gross Annual Revenue [GAR] (excluding Boarding Revenue)	Explicit Expenditure [XEXP] (excluding Boarding Expenses)	Gross Income (Annual) [GAR + GA + IA = GINC]	Expenses on running Hostel [XEH]	Revenue On Running Hostel [RH]	GAR (Including Boarding Revenue) [GAR + RH]	Explicit Expenditure [XEXP] (Including Boarding expenses) [XEXP + XEH]	Gross Income (Annual) [GAR+ GA+IA] (Including Revenue From Boarding Facilities)	Gross Expenses [XEXP + IR + CL – RENT] = [GINC] With Hostel)
1	2043380	8472719	6331316	1618281	1780000	3824566	10091000	8111316	10282514
2	4643850	12217880	13043850	237000	500000	5143850	12454880	13543850	9650000
3	1079260	9814666	8378512	569933	650000	1729260	10384599	9028512	10924840
4	3850000	22350000	5566000	0	0	3850000	22350000	5566000	23492506
5	1234240	886000	1234240	80000	160000	1394240	966000	1394240	1363012
6	2540850	1219000	2540850	925000	1110000	3650850	2144000	3650850	2135001
7	9546000	4958400	9546000	1800000	4200000	13746000	6758400	13746000	7186325
8	3733400	2801600	3733400	2820000	4582500	8315900	5621600	8315900	5632930
9	3572800	2365340	3572800	0	0	3572800	2365340	3572800	2812388
10	848400	4984000	848400	0	0	848400	4984000	848400	5348460
11	647500	428400	647500	0	0	647500	428400	647500	558713
12	641000	397600	833000	130000	200000	841000	527600	1033000	746533
13	893000	1212000	1085000	885000	1475000	2368000	2097000	2560000	1165663
14	795000	600000	795000	254000	1000000	1795000	854000	1795000	1242463
15	5452720	5962600	5452720	582750	1000000	6452720	6545350	6452720	7000152
16	243600	533800	243600	600000	1000000	1243600	1133800	1243600	533116
17	7248150	3765200	7248150	2250000	4875000	12123150	6015200	12123150	3599600
18	903350	402200	903350	415000	1000000	1903350	817200	1903350	548466

19	3361600	1146000	3361600	0	0	3361600	1146000	3361600	1546133
20	522000	422000	522000	0	0	522000	422000	522000	587182
21	3437100	1780000	3437100	0	0	3437100	1780000	3437100	1958200
22	4570440	2468400	4586440	1580000	2275000	6845440	4048400	6861440	2408266
23	640250	276000	640250	150000	375000	1015250	426000	1015250	562059
24	1041000	1080000	1041000	840000	1680000	2721000	1920000	2721000	1117730
25	626400	376500	626400	300000	625000	1251400	676500	1251400	357033
26	807500	1724800	807500	250000	625000	1432500	1974800	1432500	1878400
27	488750	522500	488750	363000	1025000	1513750	885500	1513750	566632
28	1493400	1075200	1493400	0	0	1493400	1075200	1493400	1371056
29	821400	323500	821400	0	0	821400	323500	821400	558633
30	544500	493600	544500	0	0	544500	493600	544500	603400
31	1296000	3772400	1296000	680000	1750000	3046000	4452400	3046000	3846800
32	717500	683000	717500	0	0	717500	683000	717500	877400
33	369000	213500	369000	0	0	369000	213500	369000	383833
34	2707500	1524000	2707500	398000	1500000	4207500	1922000	4207500	1387800
35	689700	747500	689700	520000	1300000	1989700	1267500	1989700	620900
36	1298600	1163000	1442600	1380000	2000000	3298600	2543000	3442600	1117866
37	2277500	2429000	2277500	1350000	2520000	4797500	3779000	4797500	2580864
38	432000	337600	432000	0	0	432000	337600	432000	396400
39	347750	263000	347750	0	0	347750	263000	347750	300200
40	1650000	255200	1650000	840000	1680000	3330000	3392000	3330000	2331200

Source: Field Survey

Table 5.6 (iv): Gross Expenditure, Revenue and Surplus/Deficit in Private Schools in Aizawl (including boarding facilities)

Sl. No	Gross Annual Revenue [GAR]	Gross Annual Expenses [GEXP]	Gross Annual Income [GINC]	Surplus/Deficit		Profit Rates		Profit (1)/ Loss (- 1) Status of the School
				Surplus 1 [GAR – GEXP]	Surplus 2 [GINC – GEXP]	Profit Rates 1 [GAR/GEXP] Percent	Profit Rate 2 [GINC/GEXP] Percent	
1	3824566	10091000	8112502	-6266434	-1978498	37.90	80.39	-1
2	5143850	9887000	13543850	-4743150	3656850	52.03	136.99	1
3	1729260	11494773	9028512	-9765513	-2466261	15.04	78.54	-1
4	3850000	23492506	5566000	-19642506	-17926506	16.39	23.69	-1
5	1394240	1295306	1394240	98934	98934	107.38	107.38	1
6	3650850	2135001	3650850	1515849	1515849	171.00	171.00	1
7	13746000	7186325	13746000	6559675	6559675	191.28	191.28	1
8	8315900	5632930	8315900	2682970	2682970	147.63	147.63	1
9	3572800	2812388	3572800	760412	760412	127.04	127.04	1
10	848400	5348460	848400	-4500060	-4500060	15.86	15.86	-1
11	647500	559113	647500	88387	88387	115.81	115.81	1
12	841000	746533	1033000	94467	286467	112.65	138.37	1
13	2368000	2050663	2560000	317337	509337	115.47	124.84	1
14	1795000	1496463	1795000	298537	298537	119.95	119.95	1
15	6452720	7582902	6452720	-1130182	-1130182	85.09	85.09	-1
16	1243600	1133116	1243600	110484	110484	109.75	109.75	1
17	12123150	5849600	12123150	6273550	6273550	207.25	207.25	1
18	1903350	963466	1903350	939884	939884	197.55	197.55	1
19	3361600	1546133	3361600	1815467	1815467	217.42	217.42	1
20	522000	587182	522000	-65182	-65182	88.90	88.90	-1
21	3437100	1958200	3437100	1478900	1478900	175.52	175.52	1
22	6845440	39888266	6861440	-33042826	-33026826	17.16	17.20	-1
23	1015250	712859	1015250	302391	302391	142.42	142.42	1
24	2721000	1957730	2721000	763270	763270	138.99	138.99	1
25	1251400	657033	1251400	594367	594367	190.46	190.46	1
26	1432500	2128400	1432500	-695900	-695900	67.30	67.30	-1
27	1513750	1026832	1513750	486918	486918	147.42	147.42	1
28	1493400	1371056	1493400	122344	122344	108.92	108.92	1
29	821400	558633	821400	262767	262767	147.04	147.04	1
30	544500	603400	544500	-58900	-58900	90.24	90.24	-1
31	3046000	4526800	3046000	-1480800	-1480800	67.29	67.29	-1
32	717500	877400	717500	-159900	-159900	81.77	81.77	-1
33	369000	383833	369000	-14833	-14833	96.14	96.14	-1
34	4207500	1785800	4207500	2421700	2421700	235.61	235.61	1
35	1989700	1140900	1989700	848800	848800	174.40	174.40	1
36	3298600	2497866	3442600	800734	800734	132.06	132.06	1
37	4797500	3930864	4797500	866636	866636	122.05	122.05	1
38	432000	396400	432000	35600	35600	108.98	108.98	1
39	347750	300200	347750	47550	47550	115.84	115.84	1
40	3330000	3171200	3330000	158800	158800	105.01	105.01	1

Source: Field Survey

Table 5. 6 (v). Gross Expenditure of Private Schools Industry (Omitting Imputing Rent)

Sl. No	No. of Student	Salary (T &NTS)	Actual Rent	Overhead	Books & Computers	Hostel Expenses	Gross Expenses
1	1130	7580880	0	891839	124995	1618281	10215995
2	1237	9060000	0	590000	447205	237000	10334205
3	978	8220000	0	1594666	170573.5	569933	10555172.5
4	1100	1350000	0	2100000	170506	0	3620506
5	266	798000	30000	67000	67706	80000	1042706
6	437	894000	300000	25000	64200.5	925000	2208200.5
7	1480	4052400	720000	186000	208325	1800000	6966725
8	674	1971600	720000	110000	83330	2820000	5704930
9	616	2262000	0	103340	58248	0	2423588
10	202	774000	0	4210000	89059.5	0	5073059.5
11	185	305400	108000	15000	44312.5	0	472712.5
12	214	369600	0	28000	8333	130000	535933
13	188	816000	300000	96000	91663	885000	2188663
14	150	594000	0	6000	91663	254000	945663
15	784	3087600	0	2875000	130351.5	582750	6675701.5
16	58	388800	132000	13000	17915.5	600000	1151715.5
17	767	2875200	684000	206000	0	2250000	6015200
18	179	373200	0	29000	16666	415000	833866
19	764	1086000	0	60000	11333	0	1157333
20	174	392400	0	29600	35582	0	457582
21	603	1620000	0	160000	0	0	1780000
22	600	1632000	660000	176400	16666	1580000	4065066
23	197	276000	0	0	91659	150000	517659
24	192	816000	240000	24000	83330	840000	2003330
25	108	252000	120000	4500	3333	300000	679833
26	190	664800	300000	760000	0	250000	1974800
27	115	504000	0	18500	33332	363000	918832
28	393	817200	0	258000	52855.5	0	1128055.5
29	111	300000	0	23500	8333	0	331833
30	121	441600	36000	16000	0	0	493600
31	180	3632400	120000	20000	0	680000	4452400
32	205	426000	0	257000	0	0	683000
33	90	198000	0	15500	8333	0	221833
34	361	1170000	282000	72000	0	398000	1922000
35	121	348000	240000	159500	0	520000	1267500
36	302	888000	240000	35000	16666	1380000	2559666
37	284	1884000	480000	65000	291064	1350000	4070064
38	160	243600	60000	34000	0	0	337600
39	107	246000	60000	12000	0	0	318000
40	220	1422000	480000	650000	0	840000	3392000

Source: Field Survey

5.8. ESTIMATION OF PROFIT AND LOSS

As seen in the table 5.7 below, the private schooling industry (comprising 40 private schools) in Aizawl earned the revenue of Rs 79.64 Million (Rs 101.89 million if grants & aid received by the schools are included) and spent Rs 87.7 million in the year 2008. Thus the industry earned a profit of Rs 14.18 million (if grants & aid are included), a little over 18.67 percent of the total revenue (income). Schools that have very small enrolment and mostly due to which they have incurred loss, other schools earned a profits. On the other hand, some schools have exceedingly spent huge amount of money on infrastructures for which they have incurred loss in the year 2008. Amongst the 40 private schools, 7 schools have received grants and aids from the government and one school received aids from individual. Among the 7 schools that have received grants from the government have not collected Tuition fees (monthly fees) but do charge admission fees and computer fees. This is the reason behind why we used gross annual income (when grants and aids are added to gross annual revenue) to calculate profits of the private school industry, even though conventionally, tuition fees, admission fees and computer fees are the main source of revenue in Private school industry. Without grants and Aids the Private schooling industry in Aizawl incurred a loss of Rs.8.06 Million (Rs.8064935) in a year 2008.

When revenue (income) from hostel is included in the Gross Annual Revenue it becomes Rs. 120529590 (i.e., Rs.120.52 Million) earning a profits of Rs. 9044601 (Rs. 9.04 Million). The empirical studies reveal that the profits

have been cut down by huge investment in infrastructure by school # 2, # 3 # 4 and school # 10. If this infrastructural spending by these schools had been cut down the profits generated by the private schools industry might change dramatically. With grants and Aids, total income of the private schooling industry rose to Rs. 142776778 (i.e., Rs. 142.77 Million) earning a profits of Rs. 31291789 (Rs. 31.29 Million).

Table 5.7 shows the empirical work of revenue and expenses of the private schools industry in Aizawl. In 2008 there are 16243 (approx.) students (40 schools) with the industry earning Rs. 120529590 as revenue and spend Rs. 111484989 in total. If we divide these two figures by total number of students we get the average figure. So by dividing total revenue we get average revenue of Rs. 7420.40 (leaving out grants &aid) and average cost of Rs. 6863.57 (per student per year). From this we can clearly found out that private schools industry earns a profit of Rs. 556.83 per student in year 2008.

Table 5.7. Gross Indicators regarding Private Schooling Industry in Aizawl,Mizoram

Items/ Attributes/ Indicator	Measures	Items/ Attributes/ Indicator	Measures
No. of Private Schools	40	Revenue from Tuition fees	56215440
No. of Students	16243	Revenue from admission fees	19401730
No. of Matriculate Teachers	24	Revenue from Computer fees	4024920
No. of HSSLC teachers	67	Government Aid and Grant	22231188
No. of Graduate Teachers	338	Private Aid	16000
No. of Post Graduate Teachers	254	Total Aid & Grant	22247188
No. of Theology Teachers	5	**Gross Annual Revenue (without hostel)**	**79642090**
No. of Computer Teachers	38	Revenue from Hostel	40887500
No. of Grade IV Staff	123	**Gross Annual Revenue (with hostel)**	**120529590**
No. of Matriculate Staff	12	**Gross Annual Income(without hostel)**	101889278
No. of HSSLC Staff	11	**Gross Annual Income (With Hostel)**	**142776778**
No of Graduate Staff	24	**Profits**	**9044601**
No of Rooms	656	Gross Profit Rate on Expenses	13.02%
Total no. of Classroom	461	Share of Miscellaneous Expenses on Hostel	15.43%
Salary to Teachers	59488200	Share of Teachers in income	41.41%
Salary to Non Teaching Staff	5910480	Share of Staff in Income	4.14%
Total Salary	65398680	**Profits {Annual Income – Total Expenses}**	**31291789**
Scholarship and Awards	432516	Share of Students' Scholarships, etc	0.30%
Expenses on infrastructure	12985159	Share of Miscellaneous Expenses (on school only)	1.81%
Expenses on Rent (only school building)*	6312000	Share of Infrastructure Expenses (excluding hostel)	6.16%
Miscellaneous Expenses **	2578670	Share of Rent in Income (excluding hostel)	4.23%
Expenses on Hostel building Rent	978000	Share of Capital in income (excluding hostel)	6.16%
Miscellaneous Expenses on Hostel	22037379	Share of labour in Income	45.54%
Expenses on Hostel infrastructure	762585	Share of Entrepreneur (Profits)	9.73%
Total expenses(excluding hostel)	**87707025**	Share of hostel revenue in Income	28.64%
Total Expenses (Including Hostel)	**111484989**	Share of hostel infrastructure in income	0.53%

5.9: EXPENDITURE ON HOSTEL FACILITIES

As we have observed from our study running of hostel enhance enormously to the revenue of private schools. At the other end, running a hostel require extra labour apart from hiring of teachers and non- teaching. In some cases private schools have to hire extra room for hostel and they have to pay extra rent. Moreover, the maintenance of hostel require an extra effort(say) the school needs to hire cook for the hostellers, procurement of food in the market, fooding, have to incurred extra drinking water facility for the hostellers, etc.

The private schools industry's major expenditure on running a hostel is on miscellaneous item which include mainly the cost of providing food and supply of water. 4 schools (out of 26 schools that run a hostel) paid rent on hostel building, rest of the schools hostel building were included in the schools' building rent bill. The gross expenditure on hostel was Rs. 22307964 (26 schools out of 40 schools) in the year 2008 in which share of infrastructure was 3.1 percent, building rent 3.98 percent and miscellaneous 92.78 percent.

In the year 2008, private schools industry in Aizawl had 1499 boarders in which on an average Rs. 14555.01 is spent on per student per year and Rs. 27276.52 as average revenue per student per year. So, the empirical studies found that Rs 12721.51 is earned as profit from running a hostel per student per year.

Table 5.8 gives the detail expenditure on running a hostel while the detail of revenue from hostel is given in Table 5.2 (iii).

Table 5.8: Expenditure on Running a Hostel

Sl. No	Infrastructure	Building Rent	Miscellaneous	Gross Expenditure on running hostel [GEH	Total Expenditure [XEXP + GEH]
1	564652	0	1053629	1618281	10,091,000
2	35000	0	202000	237000	12,454,880
3	49933	0	520000	569933	10,384,599
4	0	0	0	0	22350000
5	0	0	80000	80000	966,000
6	0	0	925000	925000	2,144,000
7	0	0	1800000	1800000	6,758,400
8	0	0	2820000	2820000	5,621,600
9	0	0	0	0	2,365,340
10	0	0	0	0	4,984,000
11	0	0	0	0	428,400
12	10000	0	120000	130000	527,600
13	0	0	885000	885000	2,097,000
14	4000	0	2500000	254000	854,000
15	9000	0	573750	582750	6,545,350
16	0	0	600000	600000	1133800
17	0	0	2250000	2250000	6015200
18	15000	0	400000	415000	817200
19	0	0	0	0	1146000
20	0	0	0	0	422000
21	0	0	0	0	1780000
22	0	480000	1100000	1580000	4048400
23	0	0	150000	150000	426000
24	0	0	840000	840000	1920000
25	0	0	300000	300000	676500
26	0	0	250000	250000	1974800
27	15000	0	348000	363000	885500
28	0	0	0	0	1075200
29	0	0	0	0	323500
30	0	0	0	0	493600
31	0	120000	560000	680000	4452400
32	0	0	0	0	683000
33	0	0	0	0	213500
34	0	198000	200000	398000	1922000
35	0	0	520000	520000	1267500
36	0	180000	1200000	1380000	2543000
37	0	0	1350000	1350000	3779000
38	0	0	0	0	337600
39	0	0	0	0	263000
40	60000	0	780000	840000	3392000

Source: Field Survey (On an average, annual boarding fee is charged for 10 months only.

5.10: EXPENDITURE PER STUDENT PER YEAR

Table 5.9 shows the item of expenditure incurred by the private schools in Aizawl (40 schools selected). The items are categorized in teacher salary, non-teaching staff salary, net overhead, imputed rent or rent and hostel. Each of these items was divided by the corresponding number of enrolment to arrive the expenditure per student per year or the average cost on each items of expenditure per year i.e. 2008.

The expenditure is the highest for salary of teachers in the private schools studied except school # 4 and school #10, this is because these two schools spent huge amount of capital for infrastructure development during the study period. This cuts down the expected profit of schools as an industry as well.

The empirical analysis suggests that on an average the expenditure on teacher per student is the highest with an average of Rs. 3412. 89 per student per year. On an average Rs 325.83 was spend on non-teaching staff per student per year while Rs 2140.95 was spend on overheads per student per year, Rs. 1088.16 on imputed rent and Rs. 1767.83 on hostel per student. Therefore, expenditure on teacher per student is the highest in private schools in Aizawl city.

Table 5.9: Some Important Ratio Regarding Expenditure in Private Schools in Aizawl

Sl No.	Number Of Students	Items of Expenditure (Annual)					Expenditure per Student (On an Average per year)				
		Teachers Salary	NT Staff Salary	Net Over-head	Imputed Rent or Rent	Hostel	Teachers Salary	NT Staff Salary	Net Over-head	Imputed Rent or Rent	On Hostel
1	1130	7123800	457080	891,839	1684800	1618281	6298.67	404.14	788.54	1489.65	1430.84
2	1237	7560000	1500000	590000	1166400	237000	6756.03	1340.48	527.25	1505.63	211.79
3	978	7680000	540000	159,4666	939600	569933	7582.76	552.15	1630.53	960.73	582.75
4	1100	1254000	96000	21,000,000	972000	0	1140	87.27	19090.90	883.63	0
5	266	744000	54000	97,000	291600	80000	2796.99	203.01	364.66	1096.24	300.75
6	437	840000	54000	325,000	226800	925000	1922.19	123.57	743.70	518.99	2116.70
7	1480	3666000	386400	906,000	939600	1800000	2477.02	261.08	612.16	634.86	1216.21
8	674	1880400	91200	830,000	648000	2820000	2789.91	135.31	1231.45	961.42	4183.97
9	616	1974000	288000	103,340	388800	0	3204.54	467.53	167,75	631.16	0
10	202	618000	156000	4,210,000	275400	0	3059.40	772.28	20841.58	1363.36	0
11	185	290400	15000	123,000	194400	0	156.75	81.08	664.86	1050.81	0
12	214	369600	0	28,000	210600	130000	1727.10	0	130.84	984.11	607.47
13	188	768000	48000	396,000	162000	885000	3588.78	255.32	2106.38	861.70	4691.48
14	150	558000	36000	6,000	550800	254000	3720	240	40	3672	1693.33
15	784	2865600	222000	2,875,000	907200	582750	3655.10	283.16	3667.09	1157.14	743.30
16	58	358800	30000	145,000	113400	600000	6186.20	517.24	2500	1955.17	10344.83
17	767	2688000	187200	890,000	518400	2250000	3504.56	244.07	1160.36	675.88	2933.50
18	179	342000	31200	29,000	129600	415000	1910.61	174.30	162.01	724.02	2318.43
19	764	966000	120000	60,000	388800	0	1264.39	157.07	78.53	508.9	0
20	174	392400	0	29,600	129600	0	2255.17	0	170.11	744.82	0
21	603	1572000	48000	160,000	178200	0	2606.96	79.60	265.33	295.52	0
22	600	1518000	114000	836,400	583200	1580000	2530	190	1394	972	2633.33

23	197	276000	0	0	194400	150000	1401.01	0	0	986.80	761.42
24	192	780000	36000	264,000	194400	840000	4062.5	187.5	1375	1012.5	4375
25	108	234000	18000	124,500	97200	300000	2166.66	166.67	1152.77	900	2777.78
26	190	574800	90000	1,060,000	453600	250000	3025.26	473.68	5578.94	2387.36	1315.78
27	115	444000	60000	18,500	108000	363000	3860.86	521.74	160.86	939.13	3156.52
28	393	787200	30000	258,000	243000	0	2003.05	76.34	656.48	618.32	0
29	111	300000	0	23,500	226800	0	2702.70	0	211.71	2043.24	0
30	121	399600	42000	52,000	145800	0	3302.47	347.11	428.75	1204.96	0
31	180	3558000	74400	140,000	194400	680000	19766.67	413.33	777.78	1080	3777.78
32	205	402000	24000	257,000	194400	0	1960.97	117.07	1253.65	948.29	0
33	90	186000	12000	15,500	162000	0	2066.67	133.33	172.22	1800	0
34	361	1170000	0	354,000	145800	398000	3240.99	0	980.60	403.87	1102.49
35	121	312000	36000	399,500	113400	520000	2578.51	297.52	3301.65	937.19	4296.52
36	302	768000	120000	275,000	178200	1380000	2543.04	397.35	910.52	590.06	4569.53
37	284	1170000	714000	545,000	340200	1350000	4119.71	2514.08	1919.01	1197.88	4753.52
38	160	243600	0	94,000	118800	0	1522.5	0	587.5	742.5	0
39	107	246000	0	72000	97200	0	2299.06	0	672.89	908.41	0
40	220	1242000	180000	1,130,000	259200	840000	5645.45	818.81	5186.36	1178.18	3818.18

Source: Field Survey

Table5.9 (i) Factors of Profit/Loss in Private Schools in Aizawl

Sl. No.	Factors plausibly responsible for Profit/Loss incurred by the School										Reason for Loss*
	Teachers Salary	NT Staff Salary	Net Overhead	Imputed Rent or Rent	On Hostel	No. of Std.	Profit/ Loss status	Standard Of the School	Grant & Aid Status	Type of School	
1	6298.67	404.14	788.54	1489.65	1430.84	1130	-1	12	4287936	2	Scale
2	6756.03	1340.48	527.25	1505.63	211.79	1237	1	12	8400000	1	
3	7582.76	552.15	1630.53	960.73	582.75	978	-1	12	7299252	2	Scale
4	1140	87.27	19090.90	883.63	0	1100	-1	7	1716000	1	Scale
5	2796.99	203.01	364.66	1096.24	300.75	266	1	7	0	4	
6	1922.19	123.57	743.70	518.99	2116.70	437	1	10	0	4	
7	2477.02	261.08	612.16	634.86	1216.21	1480	1	12	0	4	
8	2789.91	135.31	1231.45	961.42	4183.97	674	1	10	0	4	
9	3204.54	467.53	167,75	631.16	0	616	1	7	0	3	
10	3059.40	772.28	20841.58	1363.36	0	202	-1	7	0	4	Scale
11	156.75	81.08	664.86	1050.81	0	185	1	7	0	4	
12	1727.10	0	130.84	984.11	607.47	214	1	10	192000	4	
13	3588.78	255.32	2106.38	861.70	4691.48	188	1	12	192000	4	
14	3720	240	40	3672	1693.33	150	1	12	0	4	
15	3655.10	283.16	3667.09	1157.14	743.30	784	-1	10	0	3	Scale
16	6186.20	517.24	2500	1955.17	10344.83	58	1	10	0	4	
17	3504.56	244.07	1160.36	675.88	2933.50	767	1	12	0	4	
18	1910.61	174.30	162.01	724.02	2318.43	179	1	12	0	4	
19	1264.39	157.07	78.53	508.9	0	764	1	7	0	4	
20	2255.17	0	170.11	744.82	0	174	-1	7	0	4	Scale
21	2606.96	79.60	265.33	295.52	0	603	1	7	0	4	
22	2530	190	1394	972	2633.33	600	-1	12	1600 0	4	Scale
23	1401.01	0	0	986.80	761.42	197	1	7	0	4	
24	4062.5	187.5	1375	1012.5	4375	192	1	12	0	4	
25	2166.66	166.67	1152.77	900	2777.78	108	1	10	0	4	
26	3025.26	473.68	5578.94	2387.36	1315.78	190	-1	12	0	4	Scale
27	3860.86	521.74	160.86	939.13	3156.52	115	1	10	0	4	
28	2003.05	76.34	656.48	618.32	0	393	1	7	0	4	
29	2702.70	0	211.71	2043.24	0	111	1	7	0	4	
30	3302.47	347.11	428.75	1204.96	0	121	-1	7	0	4	Scale
31	19766.67	413.33	777.78	1080	3777.78	180	-1	12	0	4	Scale
32	1960.97	117.07	1253.65	948.29	0	205	-1	5	0	4	Scale
33	2066.67	133.33	172.22	1800	0	90	-1	7	0	4	Scale
34	3240.99	0	980.60	403.87	1102.49	361	1	12	0	4	
35	2578.51	297.52	3301.65	937.19	4296.52	121	1	12	0	4	
36	2543.04	397.35	910.52	590.06	4569.53	302	1	10	144000	5	
37	4119.71	2514.08	1919.01	1197.88	4753.52	284	1	12	0	6	
38	1522.5	0	587.5	742.5	0	160	1	7	0	4	
39	2299.06	0	672.89	908.41	0	107	1	7	0	4	
40	5645.45	818.81	5186.36	1178.18	3818.18	220	1	10	0	4	

Note: It appears that the scale of operation (enrolment) is too small to be optimal and in some cases the net overhead expenses are very large in proportion.

Source: Field Survey

Table 5.9 (i) is the presentation of average expenditure on different items of expenditure incurred by the 40 private schools in Aizawl. In this table -1 is assigned for those schools that had incurred loss and positive 1 for those schools

that earn a profit. At the extreme column of the table the reason for loss is indicated. As already mention earlier the expenditure per student on teacher is the largest. From our empirical analysis we had observed that incorporation of imputed house rent has reduced the profits of the firm. We found that imputation of house rent create a negative picture on the total expenses of the private schools industry, we therefore turn on to actual rent paid by the schools in finding out the total expenses of the private schools industry. In reality if number of output (here enrolment of students) is large, the firm is likely to experience an increasing return to scale. But for the private schools industry in Aizawl many schools having large number of enrolment experience loss due to due to huge investment on infrastructure. Moreover, the imputed rent effect the profit earning of these schools. Some schools are too small in terms of students enrolment to earn a profit.

5.11 PROFIT RATE IN PRIVATE SCHOOLS INDUSTRY IN AIZAWL

We have seen that in the year 2008, the private schools industry in Aizawl imparted educational services to 16243 students (based on 40 schools), employed 726 teaching and 246 non-teaching staff, generated the revenue of Rs. 120529590, spent Rs. 111484989 Million and earned a profit of Rs. 9044601 Million. It is now pertinent to investigate into the determinants of the rate of profit as well as to inquire if this industry operates according to the laws of the market. A real life market is seldom perfectly competitive since it has to operate under the conditions that are extra-ideal. Yet, the nature of imperfection may at

times be very acute and at other times it may be mild. Mild imperfection goes in favour of the consumers while acute imperfection goes in favour of the producers.

There could be several indicators of market imperfection. One of these indicators is the proportion of total output of an industry produced by the largest (or first few large) firms. In case of the private school industry that are concerned here, it would mean the proportion of the total number of students enrolled by the largest (or first few large) schools. Another indicator of imperfection is the gap between the price charged and the marginal revenue at the equilibrium output level that equates it to the marginal cost. Yet another indicator of imperfection may be the existence of barriers to the entry of new firms in the industry, which may be of several types. There could exist a tacit or explicit coalition among the firms to fix the price of output much above the cost of production and such an instance may introduce severe imperfection in the market. In this case, the entire industry may work like a gigantic firm (a cartel). There could exist a leader firm having advantages (diminishing returns to scale) over other firms and it may fix a price at which other firms supply their output.

Degree of Imperfection in the Private School Market in Aizawl: We make an attempt here to measure the degree of imperfection in the Private School Market in Aizawl. We use two popular measures of the degree of imperfection, (a) Concentration index (ratio) and, (b) Herfindahl-Hirschman index (Byrns and Stone). We envisage that the degree of imperfection may explain the profit index, a simple percentage of revenue over cost, that is, the Profit Index (P_i) =

(Revenue earned by the ith school/Cost incurred by the ith school)*100 for each school. The two indices of imperfection are defined as follows:

a). Concentration Index [C] = $\sum(100.N_i/N)$: i = 1,2,3…..,n.

b). Herfindahl – Hirschman Index [H] = $\sum (100.N_i/N)^2 = \sum (S_i)^2$; I = 1,2…,n.

The Herfindahl index (also known as Herfindahl–Hirschman Index or HHI) is a measure of the size of firms in relation to the industry and an indicator of the amount of competition among them, named after economists Orris C. Herfindahl and Albert O. Hirschman.

It is an economic concept widely applied in competition law, antitrust and also technology management. It is defined as the sum of the squares of the market shares of the 50 largest firms (or summed over all the firms if there are fewer than 50) within the industry, where the market shares are expressed as fractions. The result is proportional to the average market share, weighted by market share. As such, it can range from 0 to 1.0, moving from a huge number of very small firms to a single monopolistic producer. Increases in the Herfindahl index generally indicate a decrease in competition and an increase of market power, whereas decreases indicate the opposite. Alternatively, if whole percentages are used, the index ranges from 0 to 10,000 "points". For example, an index of .25 is the same as 2,500 points.

The major benefit of the Herfindahl index in relationship to such measures as the concentration ratio is that it gives more weight to larger

firms.The measure is essentially equivalent to the Simpson diversity index used in ecology and to the inverse participation ratio (IPR) in physics.

It may be observed that the first four schools (together) serve 30.5 percent of the total number of students in the industry and first eight schools (together) serve 50.7 percent of the clientele. The values of cumulative Herfindahl indices for first four and the first eight schools are 235.278398 and 339.249605 respectively, which as percentages to the overall Herfindahl index (for the industry = 445.053022) are and respectively. These indices explain variations in the profit index significantly. This analysis is shown in Table 5.10 and 5.10 (i) below;

Table 5.10: Measures of Market Imperfection in Private School Industry in Aizawl

Sl/No	Herfindahl Index [H]	Concen-tration Index [C]	Profit Index (1) [P]	Sl/No	Herfindahl Index [H]	Concen-tration Index [C]	Profit Index (1) [P]
1	48.397664	6.956843	37.90	21	13.781676	3.712368	175.52
2	57.997181	7.615588	52.03	22	13.64489	3.693899	17.16
3	36.253103	6.021055	15.04	23	1.470957	1.21283	142.42
4	45.861989	6.772148	16.39	24	1.397237	1.182048	138.99
5	2.681825	1.637628	107.38	25	0.442095	0.664902	190.46
6	7.238193	2.690389	171.00	26	1.36828	1.169735	67.30
7	83.021564	9.111617	191.28	27	0.50126	0.707997	147.42
8	17.218176	4.149479	147.63	28	5.853999	2.419504	108.92
9	14.382321	3.792403	127.04	29	0.466996	0.683371	147.04
10	1.546573	1.243613	15.86	30	0.55493	0.744936	90.24
11	1.297212	1.138952	115.81	31	1.228041	1.10817	67.29
12	1.735782	1.317491	112.65	32	1.592851	1.262082	81.77
13	1.339626	1.157422	115.47	33	0.30701	0.554085	96.14
14	0.852806	0.923475	119.95	34	4.939488	2.222496	235.61
15	23.296975	4.826694	85.09	35	0.55493	0.744936	174.40
16	0.127504	0.357077	109.75	36	3.456855	1.859262	132.06
17	22.297605	4.722034	207.25	37	3.05706	1.748445	122.05
18	1.214433	1.102013	197.55	38	0.970304	0.98504	108.98
19	22.123524	4.703565	217.42	39	0.433945	0.658745	115.84
20	1.147536	1.071231	88.90	40	1.834481	1.35443	105.01

Source: Field Survey

Table 5.10(i): Cumulative Concentration and Herfindahl Indices

Firm	Cum [H]	Cum [C]	Firm	Cum [H]	Cum [C]
1	83.021564	9.111617	21	427.831347	83.833033
2	141.018745	16.727205	22	429.37792	85.045863
3	189.416409	23.684048	23	430.848877	86.227911
4	**235.278398**	**30.456196**	24	432.246114	87.397646
5	271.531501	36.477251	25	433.614394	88.555068
6	294.828476	41.303945	26	434.95402	89.69402
7	317.126081	46.025979	27	436.251232	90.80219
8	**339.249605**	**50.729544**	28	437.479273	91.904203
9	353.631926	54.879023	29	438.693706	92.975434
10	368.014247	58.671426	30	439.841242	93.960474
11	381.795923	62.383794	31	440.811546	94.883949
12	395.440813	66.077693	32	441.664352	95.628885
13	402.679006	71.187586	33	442.219282	96.373821
14	408.533005	73.410082	34	442.774212	97.081818
15	413.472493	75.269344	35	443.275472	97.765189
16	416.929348	77.017789	36	443.742468	98.430091
17	419.9864	78.655417	37	444.184563	99.088836
18	422.668233	80.009847	38	444.618508	99.642921
19	424.502714	81.327338	39	444.925518	99.999998
20	426.238496	82.58942	40	445.053022	100

Source: Field Survey

5.12: EQUILIBRIUM IN PRIVATE SCHOOLS MARKET

It may be interesting to investigate if the private schooling market in Aizawl has a tendency to seek for profit maximization. Are economic measures like average (and marginal) cost and revenue meaningful in explaining the output and pricing policies of the schools at individual level as well as at the industry level and whether the private schools are profit maximizers or output maximizers, or these two alternative objectives reinforce each other.

Among the private schools there are eight large schools (#1,#2,#3,#4,#7,#15,#17,and #19) that turn out to be gross outliers, not only regarding to their size but also the economic measures that they exhibit. Further,

there are 23 schools which enrolled students less than 250. Schools like #16 and #33 are extremely small; they have an enrolment of below 100 students.

Hostel facility plays a vital role in profit generation by the private schools industry in Aizawl. When revenue generated by hostel facility is excluded 19 private schools have incurred loss, but when hostel revenue has been included loss making firms (private schools) have come down to 12. It clearly appears that hostel is one of big source of earning normal profits by the private schooling industry. Taking students' enrolment as output it appears without revenue from hostel facility the private schools is in equilibrium at an output level of 250-1000 students. With revenue from hostel, the private schooling industry in Aizawl is at an equilibrium level of 190-1000 students.

Estimation of Cost Functions: Generally it is assumed that the total cost function is cubic in output since this specification allows it to take a U-shape. Though, it has been suggested that instead of estimating the total cost function, one estimate the average cost function to avoid the problems of heteroskedasticity in estimation, we used the total cost function to derive average and marginal cost. From the estimated total cost function, we directly obtain the average cost function and the marginal cost function directly. More explicitly (denoting C as Cost and N as output);

$C = a_0 + a_1N + a_2N^2 + a_3N^{3:}$ the total cost function (of a firm)

$AC = C/N = a_1 + a_0N^{-1} + a_2N + a_3N^{2:}$ the average cost function (of a firm)

$MC = (\delta C/\delta N) = a_1 + 2* a_2N + 3*a_3N^{2:}$ the marginal cost function (of a firm)

Estimation of Revenue Functions: Generally it is assumed that the total revenue function is quadratic in output since this specification allows the marginal revenue function to respond to changes in output. However, the revenue function is much more exposed to the global forces working at the industry level, since individual firms may not be able to price their output so freely. On the other hand, cost functions are localized (specific) to an individual firm. Due to this fact, the total revenue function may be linear and the marginal revenue function may not respond to the level of output produced by the firm. As in the case of cost functions, we have derive the total cost function to arrive at the average cost function and marginal cost function. More explicitly (denoting R as Revenue and N as output);

$R = b_0 + b_1 N + b_2 N^2$: the total revenue function (of a firm)

$AR = R/N = b_1 + b_0 N^{-1} + b_2 N$: the average revenue function (of a firm)

$MR = = (\delta R/\delta N) = b_1 + 2*b_2 N$: the (linear) marginal revenue function (of a firm)

In case of linear revenue function, we have:

$R = b_0 + b_1 N +$: the total (linear) revenue function (of a firm)

$AR = R/N = b_1 + b_0 N^{-1}$: the average revenue function (of a firm)

$MR = \delta R/\delta N = b_1$: the (constant) marginal revenue function of a firm.

The analysis from Table 5.11 and 5.11 (i) give us a rough estimate of at what number of enrolment does the private schools in Aizawl earned profits.

Taking the schools that earned profits without accounting revenue from hostels, that is dropping 19 schools , one may find out that private schools in Aizawl is making a genuine profit at a level of 450 students (though there are few schools that earned profits below this level of enrolment). Few schools that enrolled less number of students earned profits due to low level of investment on school infrastructure and low spending on other items of expenditure. Also these schools employed less number of labours and low investment on capital.

When revenue from running a hostel is included in the total revenue of the private schooling industry in Aizawl the number of loss making firms have come down to 12 from 19. Among the large schools, school #1, #3, # 4, #15, #22 have made loss though they have enrolled large number of students, this is due to the fact that these schools have spent a lot on building infrastructure. School #1, #3, and # 4 are the highly reputed schools within the city as well as in the State. There is no way that we can call these schools as a loss making firm which spent more on physical infrastructure than the other schools. Moreover, larger output (enrolment) means a decline in average cost and higher average revenue.

From this evidence, it can be concluded that inclusion of revenue from running a hostel change the equilibrium level of the private schooling industry in Aizawl. With hostel revenue the industry is at equilibrium by enrolling around 369 students by each firm.

We have made an attempt to study at what point the school industry earns profit through marginal analysis. We have included revenue and expenses (cost) from running a hostel. As already mentioned hostel revenue is one major contributor in earning a profits by the private schools industry. Calculation of average revenue shows the revenue curve has somewhat flattened or downward sloping. In economic theory revenue function usually have a positive slope at an earlier stage. The reason for this negative slope of average revenue curve may be due to first four schools unbalanced proportion of revenue and its cost. These first four schools spends huge amount on infrastructure and at the same time these schools do not collect tuition fees (monthly fees) from the student since they were assisted by the state government. If the grants and aid receive from the government was included in marginal analysis the picture would be different. The average cost function is more or less L- shaped, and the marginal cost function is inverted U-shaped. They suggest increasing returns to scale and non-feasibility of a normal equilibrium in the market. In such a situation pricing may be artificial or administered (by a cartel operation or leadership).

It is not much unusual to obtain an L-shaped average cost function. In the literature on estimation of cost functions it has been found that the average cost functions are L-shaped for a variety of industries, including manufacturing, mining, distribution, transportation and trade. The critical level of output that defines the minimal efficient scale of operation is reached at the knee (or the elbow) of the average cost curve after which the average cost is more or less fixed. Various explanations have been suggested for the L-shaped nature of the

average cost curve. Some explanations are based on econometric reasoning, involving certain biases present in the estimation or in the measurement of costs or output. Certain costs are unobservable (e.g. the cost of capital, self- employed labour and under-utilised factors of production, etc). These are the sources of bias in estimation of cost functions. Other explanations are based on economic reasoning. For example, a profit maximizing enterprise would, assuming the cost curve applies to a particular unit (say, the school), build new schools (until the minimum average cost level is attained) rather than move up the rising portion of the average cost curve for its existing units (schools).

From this analysis we found that the knee (elbow) of the average cost curve is at the output level (size of enrolment) 200 – 300 students. This is the critical minimum size of operation for profit making. Since we have included the revenue and expenses on running a hostel this level of output become low. If we these expenses are omitted the required level of (size of enrolment) would be much higher for the firm to earn profit. From the graph below we can observed that the marginal and the average costs are approximately equal in the output range of 300 -1100 students (enrolment size). Beyond this size marginal cost starts decreasing. The mean optimal size of operation (enrolment) is about 700 students. The marginal cost curve is equal to marginal revenue at the two output range of 400 students and 1200 students yielding average revenue (equilibrium price) per student per year of Rs 5000-6500 and the average annual cost is around Rs.4900. From the empirical analysis we found that the two observed

average revenue (Rs. 7420 per student) and average cost (Rs. 6873) are not that close to the estimates obtained from marginal analysis described above.

The estimated average and marginal revenue and cost is shown in Table 5.11 below for 40 schools and Table 5.11 (i) for 36 schools.

Graph 5.8: Equilibrium of Private School Industry in Aizawl (All 40 Schools)

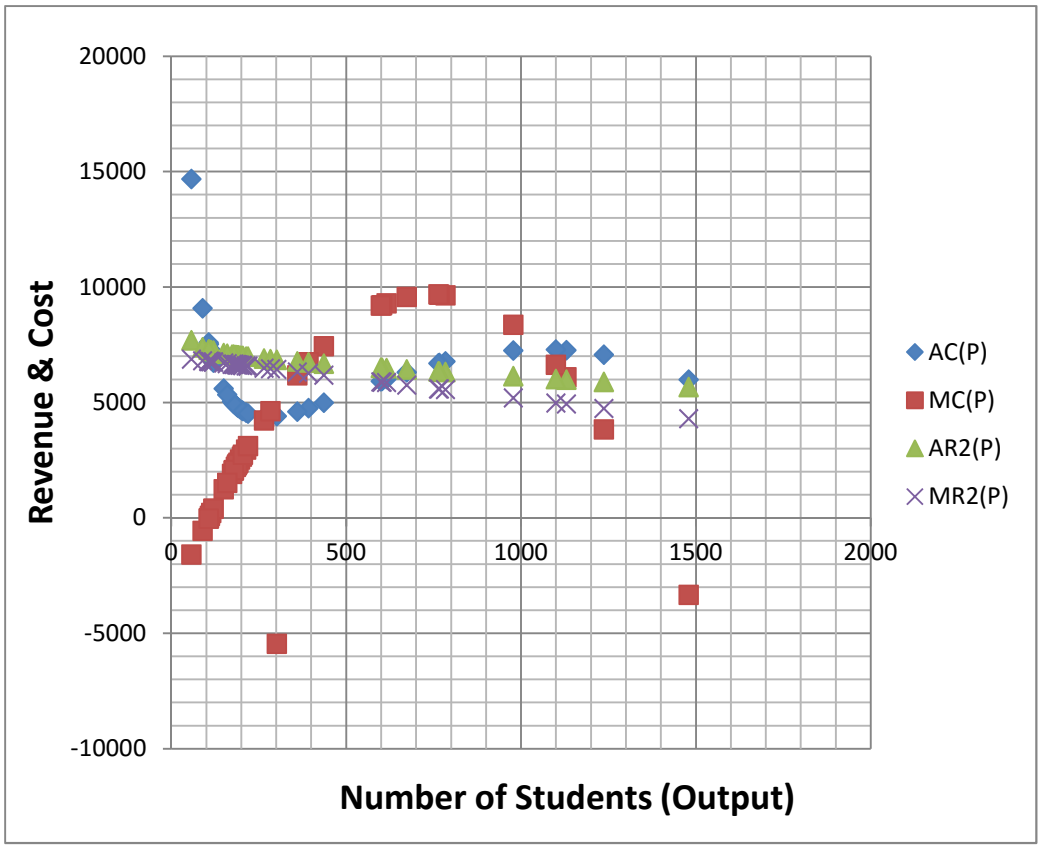


Table 5.11: Estimated Average and marginal Revenue and Cost (All 40 Schools)

Sl. No	N	AC(P)	MC(P)	AR1(P)	MR1(P)	AR2(P)	MR2(P)
1	1130	7259.96	6103.8	6384.33	5803.16	5989.95	4926.44
2	1237	7066.14	3843.1	6334.06	5803.16	5889.57	4732.56
3	978	7249.14	8370.42	6474.65	5803.16	6133.84	5201.86
4	1100	7284.09	6639	6400.18	5803.16	6018.21	4980.8
5	266	4369.79	4223.74	8272.04	5803.16	6901.79	6492.01
6	437	4987.66	7439.9	7305.96	5803.16	6680.81	6182.16
7	1480	5986.68	-3332.2	6246.89	5803.16	5663.46	4292.24
8	674	6304.63	9576.7	6777.52	5803.16	6429.97	5752.71
9	616	6008.17	9302.94	6869.27	5803.16	6488.79	5857.81
10	202	4658.74	2659.06	9054.26	5803.16	7013.25	6607.98
11	185	4863.01	2210.4	9353.01	5803.16	7049.07	6638.78
12	214	4555.29	2967.42	8871.96	5803.16	6989.91	6586.23
13	188	4821.32	2290.58	9296.36	5803.16	7042.48	6633.34
14	150	5593.67	1243	10181.31	5803.16	7137.41	6702.2
15	784	6775.82	9652.38	6640.81	5803.16	6320.96	5553.39
16	58	14680.19	-1580.3	17125.96	5803.16	7695.52	6868.9
17	767	6711.75	9678.62	6659.38	5803.16	6337.63	5584.2
18	179	4954.62	2048.74	9472	5803.16	7062.64	6649.65
19	764	6700.09	9681.82	6662.74	5803.16	6340.58	5589.63
20	174	5040.08	1912.7	9577.43	5803.16	7074.38	6658.71
21	603	5938.02	9219.4	6892.25	5803.16	6502.14	5881.36
22	600	5921.66	9199	6897.69	5803.16	6505.23	5886.8
23	197	4711.15	2528.54	9136.78	5803.16	7023.42	6617.04
24	192	4769.70	2396.82	9223.59	5803.16	7033.88	6626.1
25	108	7523.67	4.5	11883.92	5803.16	7291.86	6778.3
26	190	4794.96	2343.8	9259.59	5803.16	7038.15	6629.72
27	115	7072.45	216.8	11513.79	5803.16	7260.21	6765.62
28	393	4751.06	6746.46	7474.21	5803.16	6732.18	6261.88
29	111	7321.68	95.78	11719.58	5803.16	7277.9	6772.87
30	121	6736.97	396.9	11230.62	5803.16	7235.42	6754.74
31	180	4938.56	2075.8	9451.62	5803.16	7060.34	6647.84
32	205	4630.05	2736.8	9006.68	5803.16	7007.27	6602.54
33	90	9082.91	-552.2	13100.08	5803.16	7391.3	6810.92
34	361	4598.76	6183.78	7622.33	5803.16	6771.3	6319.87
35	121	6736.97	396.9	11230.62	5803.16	7235.42	6754.75
36	302	4400.31	-5455.9	7977.74	5803.16	6849.05	6426.78
37	284	4373.44	4628.38	8115.56	5803.16	6874.78	6459.39
38	160	5330.6	1525.4	9907.67	5803.16	7109.64	6684.08
39	107	7594.08	-26.02	11940.75	5803.16	7296.65	6780.12
40	220	4514.05	3119	8788.26	5803.16	6978.75	6575.36

Source: Field Survey

Graph:5.9: Equilibrium of the Private School Industry (36 Schools)

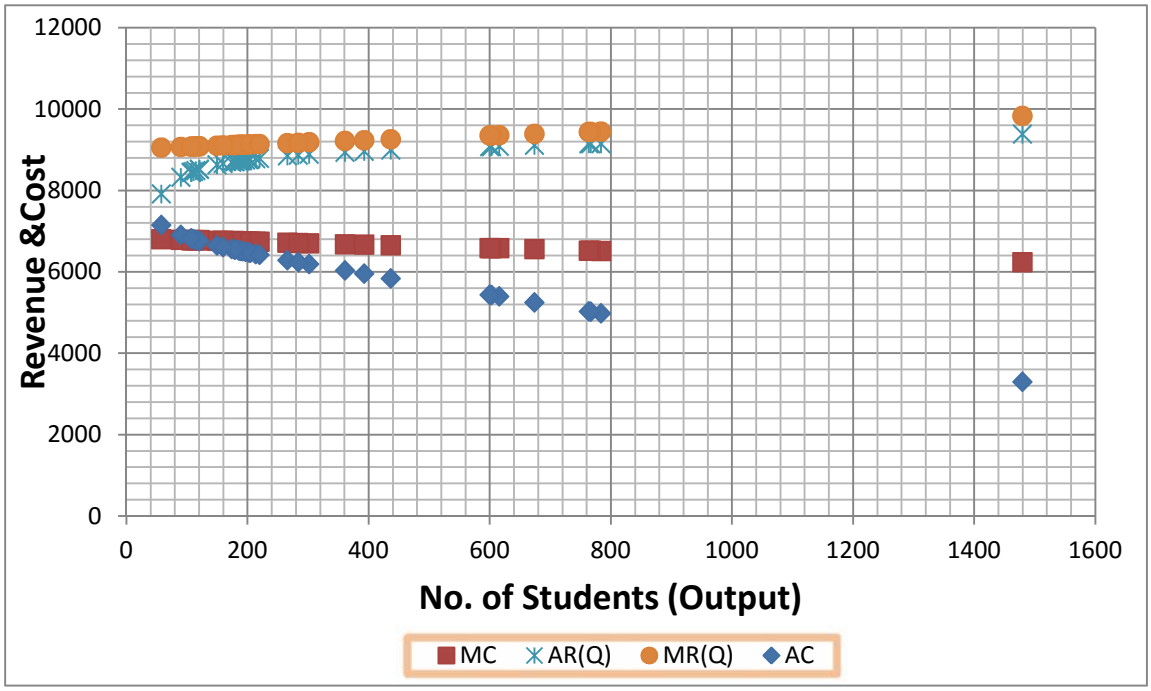


Table 5.11 (i): Estimated Average and marginal Revenue and Cost (36 Schools)

Output (N)	AC	MC	AR(L)	MR(L)	AR(Q)	MR(Q)
266	6290.71	6721.93	9317.88	9365	8850.35	9167.3
437	5841.73	6654.39	9336.32	9365	8992.77	9261.35
1480	3300.51	6242.4	9356.53	9365	9384.18	9835
674	5252.54	6560.77	9346.4	9365	9110.13	9391.7
616	5395.2	6583.68	9344.65	9365	9085.12	9359.8
202	6475.92	6747.21	9302.95	9365	8755.5	9132.1
185	6528.83	6753.93	9297.24	9365	8721.32	9122.75
214	6439.74	6742.47	9306.43	9365	8776.8	9138.7
188	6519.33	6752.74	9298.32	9365	8727.74	9124.4
150	6646.46	6767.75	9281.43	9365	8629.9	9103.5
784	4983.51	6517.32	9349.01	9365	9153.88	9452.2
58	7150.28	6804.09	9148.88	9365	7918.81	9052.9
767	5024.99	6524.04	9348.66	9365	9147.37	9442.85
179	6548.05	6756.3	9294.97	9365	8707.92	9119.45
764	5032.31	6525.22	9348.59	9365	9146.21	9441.2
174	6564.33	6758.27	9292.96	9365	8696.13	9116.7
603	5427.27	6588.82	9344.21	9365	9079.28	9352.65
600	5434.68	6590	9344.11	9365	9077.91	9351
197	6491.26	6749.19	9301.37	9365	8745.98	9129.35
192	6506.78	6751.16	9299.71	9365	8736.03	9126.6
108	6816.55	6784.34	9248.94	9365	8450.22	9080.4
190	6513.04	6751.95	9299.03	9365	8731.92	9125.5
115	6784.68	6781.58	9256	9365	8488.69	9084.25
393	5953.98	6671.77	9333.1	9365	8964.06	9237.15
111	6802.66	6783.16	9252.07	9365	8467.27	9082.05
121	6758.75	6779.21	9261.4	9365	8518.31	9087.55
180	6544.83	6755.9	9295.36	9365	8710.21	9120
205	6466.79	6746.03	9303.85	9365	8761.02	9133.75
90	6909.31	6791.45	9225.72	9365	8325.17	9070.5
361	6036.66	6684.41	9330.28	9365	8940.63	9219.55
121	6758.75	6779.21	9261.4	9365	8518.31	9087.55
302	6192.47	6707.71	9323.49	9365	8889.31	9187.1
284	6241.21	6714.82	9320.86	9365	8870.75	9177.2
160	6611.34	6763.8	9286.66	9365	8659.68	9109
107	6821.27	6784.74	9247.85	9365	8444.33	9079.85
220	6421.95	6740.1	9308.02	9365	8786.72	9142

Source: Field Survey

5. 12 IDENTIFICATION OF THE LEADER SCHOOL

In order to find out the structure of private schooling industry, it is necessary to find out if there exist a leader and follower in the market. From survey we can see that the first four large schools (#1, #2, #3 and #4) have followed their own price policy especially in terms of admission fee. Since these schools have been partially supported by government, most of them does not collect tuition fee. School #1 and #4 have charged tuition at the lower level (i.e., Primary and Middle Section) and Primary section respectively. And these schools are not the member of MEMSTA, so they have charge different fees according to their requirements.

Within the MEMSTA family school #7 (Home Mission School) appears to be a leader school, and it has largest number of enrolment (1480 students in the year 2008). This school (#7), a leader within the MEMSTA quickly follows the fees structure what the association has resolved. But these fees structures are quite hard to follow by other members since school #7 has a high reputation in terms of enrolment and goodwill of the people. So other members fixed their prices somewhere close to what the leader school has fixed.

There are quite a few schools whose enrolment is small. These small schools have their own policies in fixing fees and enrolment policy. It appears that Private Schooling Industry has exhibit some sort of monopolistic competition.

5. 14 THE MARKET STRUCTURE

Our analysis indicates to an interesting structure that characterizes the Private Schooling market in Aizawl. On the one hand, there is a cartel type coalition among members of purely private schools through forming a union/association called Mizoram English Medium Teachers' Association (MEMSTA). This association discussed the matter of fees like Tuition fee, Admission fee, and even the salary of employees. MEMSTA usually fixed the fees, but not all the members follow. There are a few numbers of schools, quite large, enjoying several advantages, including economies of scale, government as well as private patronage and reputation and goodwill of the people (#1,#2, #3, and #4). Though MEMSTA has fixed the tuition fees and admission fees, not all the members follow. They have their own policies regarding fee and salary structure and enrolment of students. They have set their own policies based on the locality where they operate, economic condition of their clientele. Thus, we can say that Private schools in Aizawl are an example of both Monopolistic competition and Oligopolistic market.

Due to their advantage over other schools, the six (or 7) schools set relatively much higher admission fees. Among these six or seven schools five schools enroll large number of students in spite of over- crowding in the class-rooms, thereby generating the economies of scale, and earn larger profit (per student/year). But in case of salaries paid to the teachers, these schools do not deviate much from the other schools.

5. 15 CALCULATION OF COST OF PRIVATE SCHOOLS IN AIZAWL

So far our studies concentrated on the supply side of education faced by the private schools. Now we will make an attempt on finding out demand side of private schools by calculating the cost of running a school. Educational institutions such as schools, colleges and universities which are engaged in the production and supply of education constitute the firms' of educational industry. They transform inputs into outputs, incurring costs in the process. From the point of view of institutions offering education, the costs of education are constituted by the amount paid for the salaries of teachers and administrative staff, stationery items and other current expenses including student activities and capital outlays on building, library books, equipments and other durable assets. Expenditure on these items incurred for the maintenance and operational of educational institutions is called institutional cost; and it constitutes one of the most important components of educational cost. An attempt was made to estimate and analyse the structure and unit institutional cost of private schools education on the basis of the data collected from a survey of 40 private schools in Aizawl city during 2008. The functional relationship between enrolment size (taken as output) and unit institutional cost (taken as average cost of the private schools) has also been examined.

The costs of education (studied in terms of unit/average cost/ institutional costs) bear by the private schools are classified into recurring and non- recurring costs. The items under recurring costs were categorized into: (i) teaching cost, (ii) non-teaching staff cost, (iii) Miscellaneous cost like cost of day to day running of the schools, bills on water, electricity, telephone, stationery etc,. Non- recurring costs are those expenditure that the school or industry bears like rent, construction of buildings , library and computer facilities, etc.

Table 5.18 present the recurring costs of each private schools. From the data collected on expenditure of 40 private schools we have found that on different components of average variable cost Rs. 3485.03 had been spend on teacher per student, Rs. 325.83 on non – teaching staff per student, Rs. 223.34 on miscellaneous (like school function, stationery, electricity bill, telephone bill, water bill etc.,) per student and Rs. 325.83 on boarding facilities per student. The amount spend on teacher per student is quite large and it might not be accurate. The reason might be that school #1, #2, #3, #16, and #31 spend much higher amount on the salary of the teacher. If we leave out these 5 schools the amount spends on teacher per students came down to Rs. 2651.74.On an average the private school industry in Aizawl had spent Rs. 4360.03 on recurring items per student in a year 2008.

Table 5.18: Average Variable Cost/ Recurring Cost bear by the Private Schools per students

Sl/ No	No. of students	Teaching cost	Non-teaching costs	Miscellaneous cost	Boarding Cost	Total Average Variable Cost/Recurring Cost
1	1130	6298.67	404.14	50.96	404.14	7157.91
2	1237	6756.03	1340.48	72.76	1340.48	9509.75
3	978	7582.76	552.15	230.07	552.15	8917.13
4	1100	1140	87.27	90.91	87.27	1405.45
5	266	2796.99	203.01	63.91	203.01	3266.92
6	437	1922.19	123.57	57.21	123.57	2226.54
7	1480	2477.02	261.08	125.68	261.08	3124.86
8	674	2789.91	135.31	163.2	135.31	3223.73
9	616	3204.54	467.53	132.37	467.53	4271.97
10	202	3059.40	772.28	1039.6	772.28	5643.56
11	185	156.75	81.08	81.08	81.08	399.99
12	214	1727.10	0	37.38	0	1764.48
13	188	3588.78	255.32	510.64	255.32	4610.06
14	150	3720	240	40	240	4240
15	784	3655.10	283.16	146.68	283.16	4368.1
16	58	6186.20	517.24	224.13	517.24	7444.81
17	767	3504.56	244.07	268.58	244.07	4261.28
18	179	1910.61	174.30	22.35	174.30	2281.56
19	764	1264.39	157.07	78.53	157.07	1657.06
20	174	2255.17	0	55.17	0	2310.34
21	603	2606.96	79.60	149.25	79.60	2915.41
22	600	2530	190	294	190	3204
23	197	1401.01	0	0	0	1401.01
24	192	4062.5	187.5	125	187.5	4562.5
25	108	2166.66	166.67	41.67	166.67	2541.67
26	190	3025.26	473.68	315.79	473.68	4288.41
27	115	3860.86	521.74	78.26	521.74	4982.6
28	393	2003.05	76.34	274.81	76.34	2430.54
29	111	2702.70	0	31.53	0	2734.23
30	121	3302.47	347.11	132.23	347.11	4128.92
31	180	19766.67	413.33	111.11	413.33	20704.44
32	205	1960.97	117.07	34.15	117.07	2229.26
33	90	2066.67	133.33	83.33	133.33	2416.66
34	361	3240.99	0	199.45	0	3440.44
35	121	2578.51	297.52	119.83	297.52	3293.38
36	302	2543.04	397.35	115.89	397.35	3453.63
37	284	4119.71	2514.08	228.87	2514.08	9376.74
38	160	1522.5	0	150	0	1672.5
39	107	2299.06	0	93.46	0	2392.52
40	220	5645.45	818.81	2863.64	818.81	10146.71
Mean/average		3485.03	325.83	223.34	325.83	4360.03

Source: Field Survey

Table 5.19: Average Fixed Cost/Unit Cost/ Non-recurring Cost bear by the Private schools in Aizawl

Sl.No	No. of students	Buildings	Rent	Library& Computer	Total Fixed Cost
1	1130	737.58	1489.65	110.52	2337.75
2	1237	404.2	1505.63	361.52	2271.35
3	978	1400.47	960.73	174.41	2535.61
4	1100	1818.18	883.63	155.01	2856.82
5	266	187.97	1096.24	254.53	1538.74
6	437	0	518.99	146.91	665.9
7	1480	0	634.86	140.76	775.62
8	674	0	961.42	123.64	1085.06
9	616	35.39	631.16	94.56	761.11
10	202	19801.98	1363.36	440.89	21606.23
11	185	0	1050.81	239.53	1290.34
12	214	93.46	984.11	38.94	1116.51
13	188	0	861.70	487.57	1349.27
14	150	0	3672	611.09	4283.09
15	784	3520.41	1157.14	166.26	4843.81
16	58	0	1955.17	3088.82	5043.99
17	767	0	675.88	0	675.88
18	179	139.66	724.02	93.11	956.79
19	764	0	508.9	14.83	523.73
20	174	114.94	744.82	204.49	1064.25
21	603	116.09	295.52	0	411.61
22	600	0	972	27.78	999.78
23	197	0	986.80	465.27	1452.07
24	192	0	1012.5	434.01	1446.51
25	108	0	900	30.86	930.86
26	190	3684.21	2387.36	0	6071.57
27	115	82.61	939.13	289.84	1311.58
28	393	381.68	618.32	134.49	1134.49
29	111	180.18	2043.24	75.07	2298.49
30	121	0	1204.96	0	1204.96
31	180	0	1080	0	1080
32	205	1219.51	948.29	0	2167.8
33	90	88.89	1800	92.59	1981.48
34	361	0	403.87	0	403.87
35	121	1198.35	937.19	0	2135.54
36	302	0	590.06	55.19	645.25
37	284	0	1197.88	1024.87	2222.75
38	160	62.5	742.5	0	805
39	107	18.69	908.41	0	927.1
40	220	90.91	1178.18	0	1269.09
Mean/ Average		884.45	1088.16	239.43	2212.041

Source: Field Survey

Table 5.19 shows average amount of capital spent by the private school industry on fixed items like building, rent, computers, books etc., per student in a year 2008. As we had observed, most of the private schools in Aizawl run their school on rented building. So the share of rent on fixed cost is the highest. Private school industry spend on average Rs 1088.16 on rent per student in a year 2008, Rs. 884.45 on buildings, and Rs. 239.43 on combination of library and computer per student in a year 2008. On an average, Rs.2212.04 had been spent on fixed items per student in a year 2008.

The 40 schools that were randomly selected can be said to be both profit maximisers and output maximisers. These schools are competing to have a better output (students' enrolment) by way advertising, better educational facilities, etc. At the same time they are profit maximisers by running the schools at a very low cost in terms of employing less number of teachers. And also, mention may be made here that there quite a number of schools without any Non-teaching staff. These two alternatives i.e., profit maximiser and output maximiser reinforced each other in the private schools in Aizawl city.

MAIN FINDINGS:

1. The growth rate of private schools in Aizawl is described by an exponential trend since R square is the maximum. In 1950 there was one private school. The number increased to 9 in 1990, 25 in 2000, and 40 in 2008. The study shows that there was a rapid increased in private schools after 1990 onwards. There are 23 schools which enroll less than 250 students. There are 7 schools which enroll less than 150 students and 2 schools enroll less than 100 students. The largest school enrolls 1480 students. In 29 schools students are mostly from a better economic background while in the rest (11 out of 40) of the schools, students are mostly from a modest economic background. Larger private schools have higher student/classroom ratio and student/teacher ratio. Female teachers are a little over 50% of the total number of teachers. *(Objective No.1)*

2. The private schools industry (comprising 40 private schools) in Aizawl earned the revenue of Rs 79.64 Million (Rs 101.89 million if grants & aid received by the schools are included) and spent Rs 87.7 million in the year 2008. Thus the industry earned a profit of Rs 19.02 million (if grants & aid are included), a little over 18.67 percent of the total revenue (income). With revenue from boarding the total income is Rs.142.78 Million, out of this total expenditure was Rs.111.48 Million, generating a profit of Rs.31.29 Million. *(Objective No.2)*

3. Private schools in Aizawl employed 726 teachers of whom 46.56% are Graduates, 34.99% Post Graduates, 9.23% HSSLC, 5.23 % Computer teachers and the rest either Matriculate or Theology teachers. Among the

non-teaching staff, the majority are Grade-IV employees (61.79%). Graduates non-teaching staff are 19.51%, 9.76% Matriculate and 8.94% HSSLC. On an average, Grade-IV non-teaching staff earns Rs. 2924.08 (per month). On the other hand, the mean salary of PG teachers amounts to Rs. 8307.14 per month. Graduates teachers earn Rs.6326.05 which is a little more than computer teachers. It might be strange that Matriculate teachers earn more than the HSSLC teachers; this is because some matriculate teachers are engaged in this occupation for more than 15 years and that they have several increments, which makes their salary appears higher than the HSSLC teachers. This reflects our objective *(Objective No. 3)* that private schools generates employment amongst the educated youth of Aizawl City.

4. During the study period, the private school industry employs 726 teachers and 123 non teaching staff. On an average each school employs 18 teachers. As mentioned in the study area, that there are 180 schools in Aizawl, it is therefore, roughly estimated that private schools in Aizawl employs 3240 teachers. Regarding non teaching staff, on an average each school employs 3 non teaching staff i.e, a total of 540 non teaching staff. *(Objective No.3).*

The above points reflects **our third research question** of whether private schools contributes to the economic development of the state and it can be accepted that these schools contributes for the economic development of the state as it generates employment opportunities for the educated unemployed.

5. The study also indicates that the hostel facility is the major factor in contributing the profits generated by the private schools. When revenue generated by hostel facility is excluded 19 private schools have incurred loss, but when hostel revenue has been included loss making firms (private schools) have come down to 12. It clearly appears that hostel is one of big source of earning normal profits by the private schooling industry. From the marginal analysis, private schools industry in Aizawl charged Rs.5000-6500 per student per year incurring an average annual cost around Rs. 4900 per student per year. *(Objective No.4)*

6. From this analysis we found that the knee (elbow) of the average cost curve is at the output level (size of enrolment) 200 – 300 students. This is the critical minimum size of operation for profit making. Since we have included the revenue and expenses on running a hostel this level of output become low. If we these expenses are omitted the required level of (size of enrolment) would be much higher for the firm to earn profit. The marginal and the average costs are approximately equal in the output range of 300 -1100 students (enrolment size). Beyond this size marginal cost starts decreasing. The mean optimal size of operation (enrolment) is about 700 students. The marginal cost curve is equal to marginal revenue at the two output range of 400 students and 1200 students yielding average revenue (equilibrium price) per student per year of Rs 5000-6500 and the average annual cost is around Rs.4900. From the empirical analysis we found that the two observed average revenue (Rs. 7420 per student) and average cost (Rs. 6873) are not that close to the estimates obtained from marginal analysis. Running a hostel

is used as an extension of scale of operation and for covering the expenses met on teachers and non-teaching staff salary. The inclusion of hostel changed the equilibrium level of output of the private schools industry. This reflects our **research questions number 1** that whether the private schools are profit maximisers or output maximisers. and it can be concluded that the private schools are both profit and output maximisers . And also, this reflects our **research question number 2** that inclusion of revenue and expenditure from running a hostel changed the equilibrium level of output.

7. Our analysis has shown that the private schooling industry in Aizawl is on the borderline of oligopoly and monopolistic competition, On the one hand, there is a cartel type coalition among some (25 or so in number) private schools by forming an organisation known as Mizoram English Medium Teachers' Association (MEMSTA) led by leader school # 7 (Home Mission School). The members of this coalition exhibit a remarkable uniformity in matters of admission fees, tuition fees, salaries and enrolment policy. On the other hand, there are four or at most five schools, quite large in size, enjoying several advantages, including economies of scale, government as well as private patronage and reputation and goodwill of the people. The cartel type of collusion formed through MEMSTA had a tremendous impact on deciding each school their policies in terms of tuition fees, and admission fees. There are thirteen or at most fourteen schools that have follow their own policies based on policy made by the leader school. This reflects our **research questions number 4** whether the private schools are

monopolistic or oligopolistic in nature. Therefore, it can be concluded that the private schools in Aizawl city are both within the monopolistic and oligopolistic market.

8. The private schools industry in Aizawl earned the revenue of Rs 79.64 Million (Rs 101.89 million if grants & aid received by the schools are included) and spent Rs 87.7 million in the year 2008. Thus the industry earned a profit of Rs 19.02 million (if grants & aid are included), a little over 18.67 percent of the total revenue (income). Schools that have very small enrolment and mostly due to which they have incurred loss, other schools earned a profits. On the other hand, some schools have exceedingly spent huge amount of money on infrastructures for which they have incurred loss in the year 2008. Without grants and Aids the Private schooling industry in Aizawl incurred a loss of Rs. 8.06 Million in a year 2008. The private schools industry received average revenue of Rs. 7420.40 (leaving out grants &aid) and average cost of Rs. 6863.57 (per student per year). From this it was found that private schools industry earns a profit of Rs. 556.83 per student in year 2008. Regarding the expenditure and revenue from running a hostel private schools industry on an average spend Rs. 14555.01 per student per year and received average revenue of Rs. 27276.52 per student per year. The profit earn from hostel was Rs 12721.51 per student per year. Therefore, running hotels is a contributory factor on the revenues of the private schools.

9. Regarding the average revenue on each head and average expenditure on each items; the private schools industry received average revenue of Rs 1194.467 per student per year from admission fees, Rs. 3460.903 per student per year from tuition fees, Rs. 2517. 238 per student per year (if the whole firms in the industry were included) from boarding fees and Rs. 247.794 per student per year from computer fees. On the expenditure side, taking the whole output of 40 private schools, the industry incurred Rs. 3644.659 per student per year on teachers, Rs. 363.879 per student per year on non – teaching staff, Rs 1373.413 per student per year on overall overheads which include expenses on buildings, infrastructure, rent and miscellaneous item, and Rs. 1343.223 per student per year on boarding.

10. From our empirical analysis, it was found that excluding the revenue generated from running a hostel, 19 out of 40 schools have incurred losses which are almost half the total number of schools surveyed. These losses is attributed to the reason that many schools enrolled less number of students and some of the highly enrolled schools incurred loss due to huge expenditure on infrastructure. Conventionally, the main sources of revenue in Private Schools are tuition fees, admission fees and computer fees. However, this is quite different in the case of private schools in Aizawl. From the conventional source of revenue they received, many schools could not cover the salary needed to be paid to the employees and also for the building they rented for running their schools.

11. 9 schools have experienced an increase in students more than 20 students per year while three schools have an increased in more than 50 students per year. Locations and reputation of the schools is the main reason for these differences in enrolment. Moreover, the rapid increased in the number of private schools over the years have pulled down the share of many schools in terms of students' enrolment.

12. Our study shows that there is a moderate correlation between the age of the school and size i.e, numbers of students. This is based on Burns (2000) classification of coefficient of correlation (r).

13. The percentage share of female teachers (based on 40 schools) is 53.25 percent while the percentage of male teachers is 46.75 percent. The average student/classroom ratio based on 40 schools is 35.23. Leaving out five big schools which have larger enrollment than rest of the schools, the student/classroom ratio went down to 30.89. There are 24 schools that have an enrolment less than 300 students. Taking these schools only the student/classroom ratio is 19.31. On an average 6.09 classes(periods) has been taken per day in the primary section, 7 classes in the middle section, 7.13 classes in Secondary section and 7.18 classes in Higher Secondary section.

14. The male teacher-student ratio is 28.24 during the study period and also, female-teacher student ratio is found to be 20.77. The overall male student and female student ratio is 0.997. Regarding the distribution of teachers, private schools in Aizawl in the year employed 726 labours in which 332 are male teachers while 394 are female. In 13 schools, the percentage of female teachers to the total teachers was more than 60

percent. From this analysis, it can be concluded that female teachers are more in number but less in terms of student-teacher ratio.

15. There are 22 private schools that offer computer education and the share of computer fees is only about 4.37 percent in these private schools. From the analysis, it was found that computer education programme is not the main source of revenue.

16. From this analysis, it can be said that monthly tuition fees are the major contributor amongst the other sources of revenue for all the schools. The second source of revenue is from the boarding fees which accounted for 32.754 percent of the total revenue. When observed generally, admission fees are likely to be the major source of revenue but due to the competition among the schools within the city, many schools are giving lower rate of admission fees. This reduced the admission fees as a major source of revenue.

17. On an average, Grade-IV non-teaching staff earns Rs. 2924.08 (per month). On the other hand, the mean salary of PG teachers amounts to Rs. 8307.14 per month. Graduates teachers earn Rs.6326.05 which is a little more than computer teachers. Matriculate teachers earn more than the HSSLC teachers; this is because some matriculate teachers are engaged in this occupation for more than 15 years and that they have had several increments, which makes their salary appears higher than the HSSLC teachers.

18. Private school industry employs 723 teachers and 123 non teaching staff. On an average each school employs 18 teachers. Regarding non teaching staff, on an average each school employs 3 non teaching staff.

PROBLEMS FACED BY PRIVATE SCHOOLS IN AIZAWL CITY:

Problems Relating to Finance:

Finance is the most essential element in an industrial set up. As an industry, private schools suffer from deficiency of finance. This hampers the progress of the school and delays developments. Lack of funds makes administrators, teachers and parents – concentrate on day – to – day difficulties, leaving too little time and energy for the sort of large scale planning that is needed. Some of the conspicuous problems that private schools face in relation to finance are listed below:

(a) Low salaries of teachers are one of the major problems for the private school entrepreneurs. Unlike their counterparts (Government – run school teachers) the teachers are low paid. On an average, a teacher's monthly salary is about Rs. 6849.72 and the non- teaching staff gets around Rs. 4004.39. Whereas a government teacher draws a monthly salary of about Rs.17000 and the non- teaching staff gets about Rs. 12000 to 15000. This is one of the reasons why private schools cannot retain good teachers for long.

(b) Another problem is lack of funds on the part of the state government. Only few schools get government grants and aid. In the year 2008, private schools received Rs**.** 222.31 lakh from the state government, which is received by few 6 schools. And these funds are mainly used for the purpose of staffs' salaries. State government has done little on the infrastructural development of the private schools in Aizawl.

(c) The private schools faced financial problem when students cannot pay their school fees in time, because many schools depend on the students' monthly tuition fees to pay off the teachers' salary. In delaying this payment, teachers are made to suffer.

(d) Many people consider teaching as a stop gap arrangement. They take it up till they find better job. As a result they are not committed to teaching. It is observed that even among those who have taken up teaching as their profession many are not committed to their vocation. Of course, low salary is one of the reasons for this.

The real dynamic force of the school is the teacher. There is no greater need for the cause of education today than the need for strong, determined and qualified teachers for the younger generation. Though much of the above quality is expected from a teacher some major problems could be cited below.

(a) Private schools suffer from acute shortage of trained teachers especially good mathematics-science teachers cannot be retained for long due to obvious reason that the salary is low. Further the greatest untapped source of recruitment to science-mathematics teaching is from girls, because there is a great shortage of women teachers in these subjects.

(b) It is found that there is random appointment of teachers without any bond/commitment during their appointment. Therefore in the middle of the year when some teachers leave the school, the school, the students become the ultimate losers. On the other hand, service rules

are not properly maintained in many private schools. This gives a strong reason for the teachers to have an easy exit.

(c) There has been a lot of problems or overload of works as told by many teachers. The number of periods exceed beyond the normal period where teachers cannot do justice with their teaching.

Problems Relating to Parents:

Parents too play an important role in educating the child in the school. Close coordination between the teachers and the parents will bring a fruitful result in moulding students' future.

Many parents today look with a suspicious eye at what the modern school is doing. They always feel, "this is not, when we were taught" they criticize the school and modern teachings. Their criticism generally falls into three categories: (1) quality of teaching – poor standard of mental arithmetic, children playing all day etc. (2) educational policies and procedures – teaching of crafts, activity methods, audio visual instruction, excursions etc., and (3) school's social and educational values – absence of religious and moral instruction, poor discipline, extra – curricular activities etc.

Criticisms from the parents' side are mixed with constructive and destructive. Some of the common problems faced by the private schools in Aizawl from the parents' side are:

(a) Low educational background parents do not cooperate with the school authority. Whenever parents-teachers meeting are called, they seldom turn up for meetings and rather complain about certain changes.

(b) Most parents ignore their children's home study; they (parents) depend totally on teachers at school and neglect their children's regular study habit at home. They have no sense of monitoring the progress of their children and do not seem to feel the need of providing study room and other essential environment for their children to study at home.

(c) School practices at times irritate parents. Schools are apt to pile on demands and requests – costumes for a dance and drama, a present on some special occasion, late fines, examination fees, laboratory charges, etc. when these request and demands are put forth, parents often react negatively blaming the school authority of its selfishness and profit motives, which at times is not without ground.

Problems relating to Extra- Curricular Activities*:*

In the scheme of education, the classroom activities as well as extra-curricular activities have their own value. They beautifully supplement each other. Extra – curricular activities make the children self-directing, give them experiences in social cooperation, foster sentiments for law and order and respect for authority and train them in leadership. Besides these moral values, these activities appeal to tastes and temperaments of all and help them release their pent-up energies on the playground or in clubs instead of in the classroom.

Private schools in Aizawl conduct various extra- curricular activities such as science club, parents' day, sports week, educational tour etc. there are some problems met with in respect of extra –

curricular activities also. (a) The Problem of acquiring a full fledged physical teacher education teacher has become the greatest need. (b) Many schools do not have big open space for the students to play outdoor games. This allows only few students to spend their leisure outdoors.

Problems relating to School Plant:

The school plant is a comprehensive term which includes buildings, grounds, furniture, apparatus, and other equipment. The expansion of the plant to meet the changing needs of education presents a serious problem among the private entrepreneurs. It involves not only the investment of a large amount of money, but must be thought of in functional terms. The school plant must be considered as the child's home during school hours. It must be thought of as a laboratory, where children learn by doing certain things. It can also be considered as a youth centre and as a civic enterprise for young people providing recreational, library and cultural facilities for their growth.

The school plant must also serve as a community social centre for adults as well as children. Sensing the need to provide the mentioned facilities and good environment, a modern school should at least satisfy the students by fulfilling the students' need. In many ways private schools fail to impress their clients. Such problems are noteworthy. (a) Most of the schools do not have safe drinking water and also ill-lighted classrooms. Some classrooms are without electrification. (b) Science laboratories do not have enough equipment for experiments, while in

some cases they are not well maintained. (c) A majority of private schools do not have playgrounds.

SUGGESTIONS:

1. The study clearly reveals that there is a need for the protection of the interests of the employees – teachers as well as non – teaching staff in matters of working conditions and salaries, since private entrepreneurs are likely to pay too little and ultimately affects the students. Therefore, it is suggested here that an employee's provident fund should be made compulsory to those schools employing more than 20 teachers.
2. Even though there are norms for opening private schools, the government has not fully monitored functioning of the private schools. Such norms are not fully developed and enforced. For quality education norms are to be developed and enforced. It has to be decided as to what should be the maximal student/teacher, student/classroom, student/built-up area, student floor area, and so on. Norms on availability of students' common room, play ground, drinking water facilities, basic dispensary facilities for accidental cases, toilets/urinals, etc. are to be developed and strictly enforced.
3. Location decisions regarding the school plant are important, since unplanned locations of schools may add to transportation/traffic problems in congested areas; it may result into an unbecoming land use problem, etc.

4. One of the bad practices in setting up private school in Aizawl is that schools are opened up very close to the already existing schools. In many localities schools are just 20-30 feet away from each other. Therefore, it is suggested here that the location of the school should be controlled or monitored by the authority.

5. Opening of schools in a very congested residential area should be controlled by the authority. Schools within the residential area creates noise pollution to the residents especially schools having hostel.

6. Area and size of the classroom has to be framed by the government. This is because private schools owner rented small buildings then dividing that building in a much smaller rooms according to their own convenience. This has created congestion and it is not safe for the students.

7. Keeping the schools surroundings clean has to be taught to the students. At the same time schools should provide separate toilets for girls and boys, and this has to be constructed far away from each other.

8. Schools should provide sufficient water supply, especially those schools that have hostels. Since in many case hostellers shared the public water tank this has created a problem for the community.

9. Resource centre such as library have to be given due importance by each and every private schools. And the government also has to monitor whether private schools has fulfilled this important aspect of school organization.

10. There is lack of trained teachers in private schools in Aizawl City, it is therefore, suggested here that training for the teachers should be made compulsory; at the same time, the state government should recruit only those who are well trained. Also, each school board should give priority to those who are trained even if they attended only short term courses.

Conclusion:

We have seen the structure and features of private schools in Aizawl in which there are private schools that perform much better in terms of enrolment. As we can see from the empirical analysis, the number of private schools has rapidly increased over the past two decades in which there is an overcrowding within the market and industry. Establishment of schools is not properly supervised from the state government concern authority. This has led to quantitative education rather than quality education. There were no thorough supervision and inspection regarding the selection of school plant from the concern department. At the same time, private schools view students and parents as clients. Therefore, they are more proactive to meet their needs and concerns. They have managed to survive and thrive, finding a niche for themselves and contributing to the development of the State.

The school education authority should keep promoting schooling as its priority. The fact here is that improvement in socio-economic being is promoted through education. Issues of school choice and competition have not seriously been considered in Mizoram as a mean of

improving schooling. Based on the patterns that emerge from the evidence, policy makers should seriously consider providing universal access to minimally regulated education markets. There is also a need for further research into ways of effectively supporting not only the private but also the public school teachers in their professional development since proponents of educational reform often call for policies to increase competition between schools. The need of the hour, therefore, is a tighter regulations and a better provision for the private schools in Aizawl city.

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Appendix I

Total Revenue Function of 40 Schools (Linear)

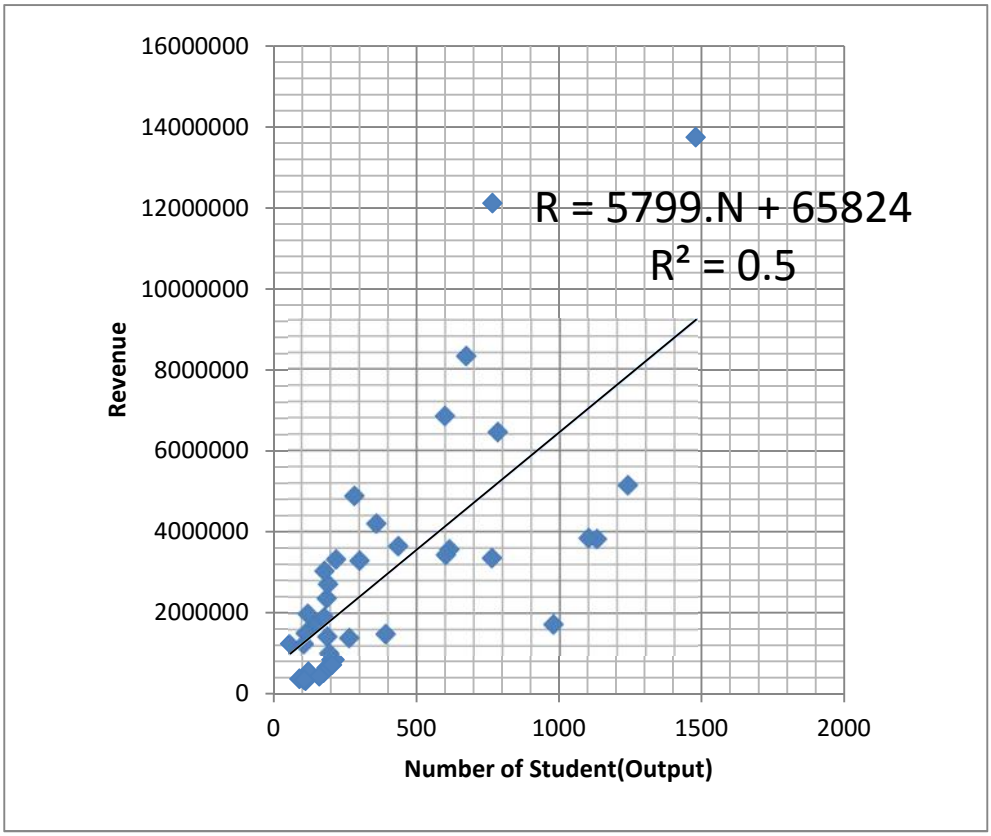
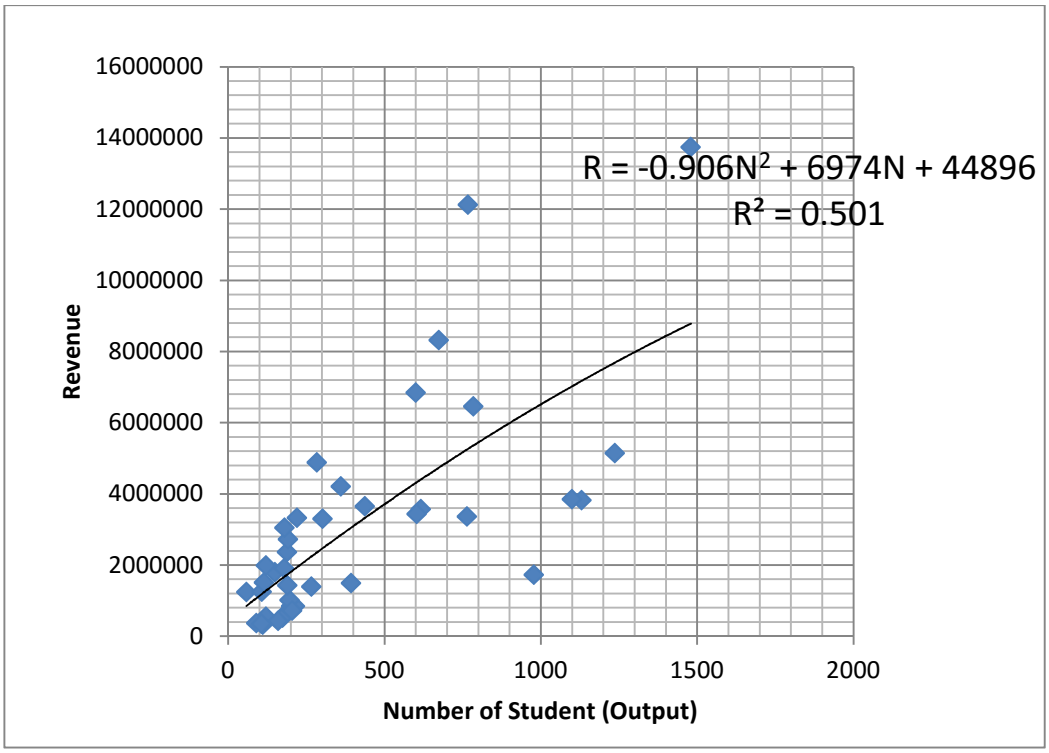


Table: Revenue Functions (All 40 Schools)

Model: R= f(*)		Coefficient
R^2 = 0.5	Constant	65824
n = 40	N	5799
Model: AVR = f (*)	Constant	5799
R^2 = 0.5	N^{-1}	65824
n = 40		

Appendix II

Total Revenue Function (Quadratic)



Model: R = f (**)		Coefficient
R2 = 0.501	Constant	44896
n = 40	N^2	-0.906
	N	6974
Model: AVR = f (**)		Coefficient
R2 = 0.501	Constant	6974
n = 40	N^{-1}	44896
	N	-0.906

Appendix III

Total Cost Function of all 40 Private Schools (Cubic)

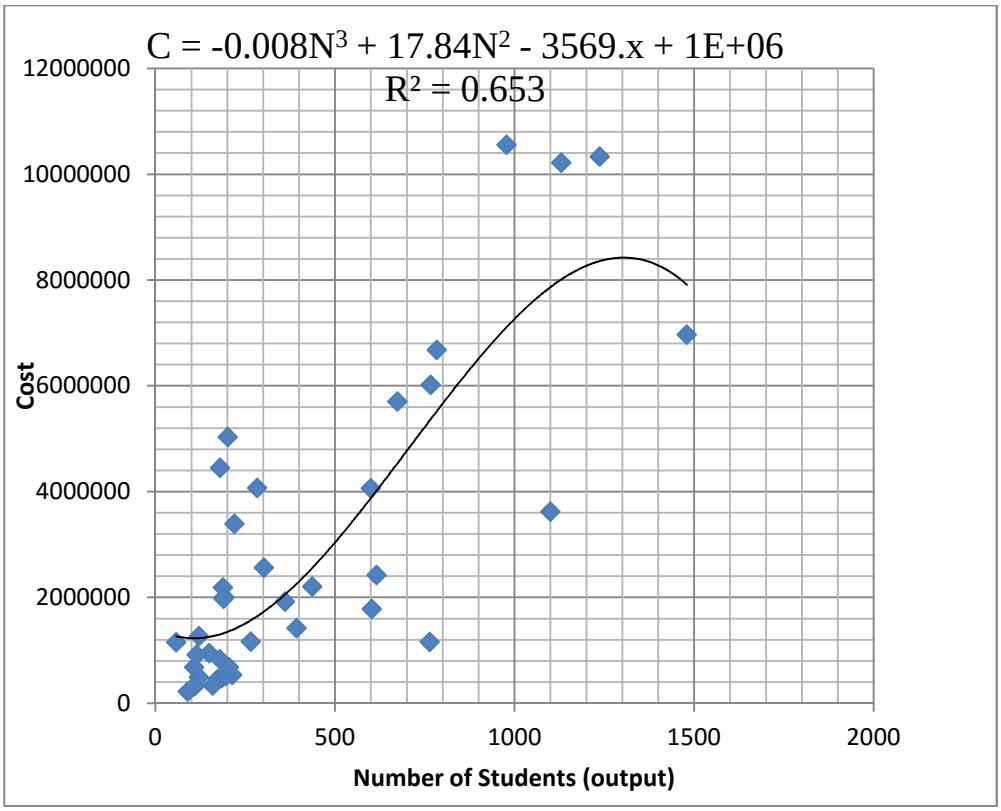


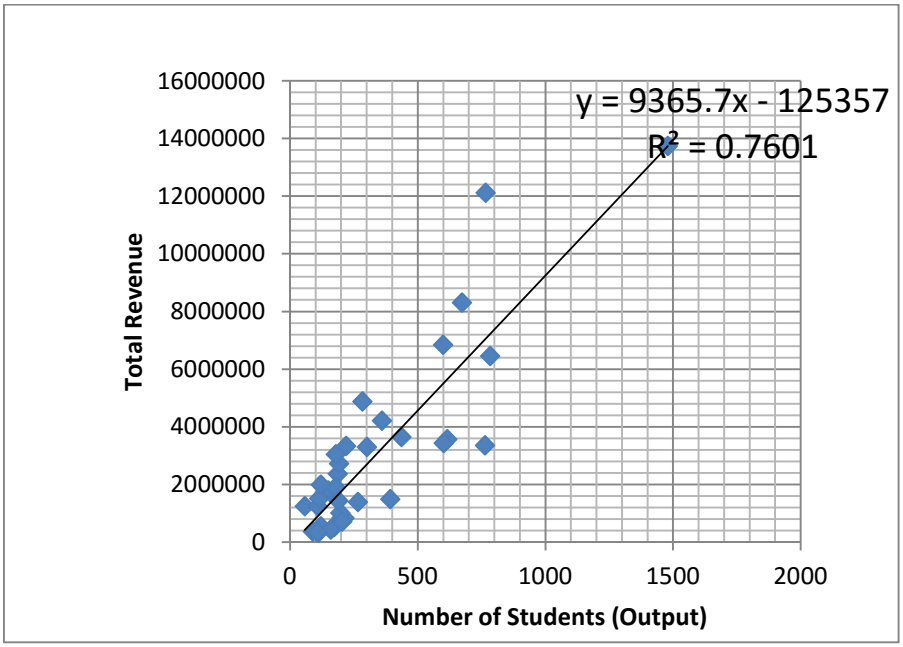
Table : Cost Functions (All 40 Schools)

Model : C = f (***)		Coefficient
R^2 = 0.653	Constant	1.00E+06
n = 40	N^3	-0.008
	N^2	17.84
	N	-3569

Model : AVC = f (***)		Coefficient
R^2 = 0.653	Constant	3569.00
n= 40	N^1	1.00E+06
	N	17.84
	N^2	-0.008

Appendix IV

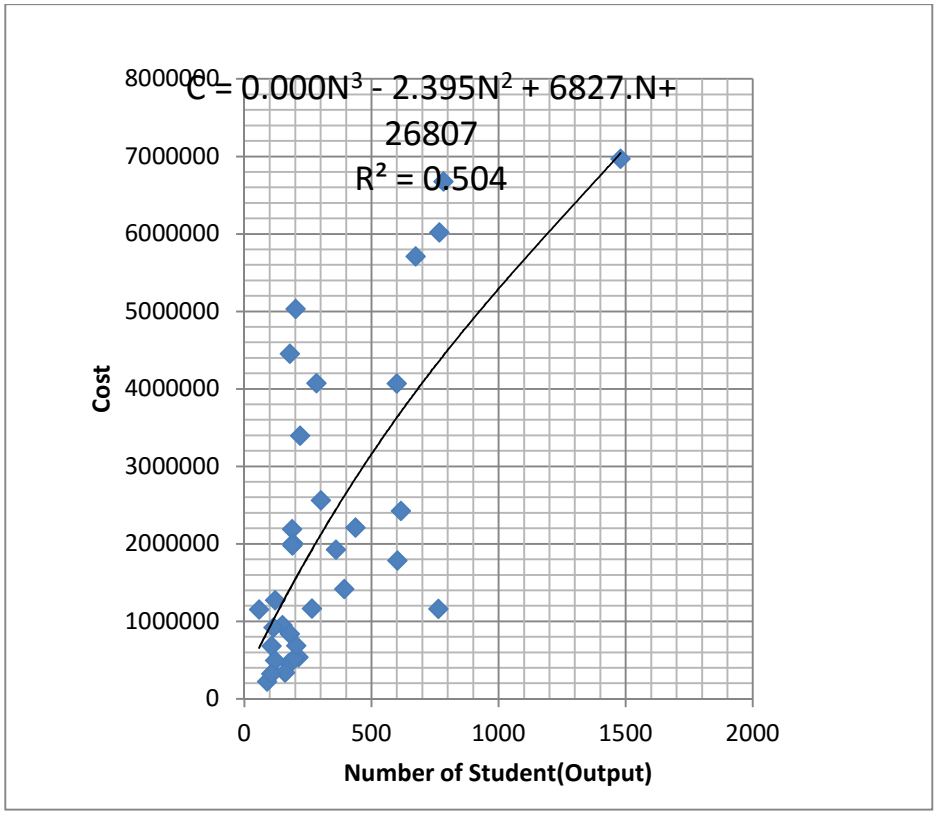
Total Revenue Function of 36 Private Schools (Linear)



Model: R = (*)		Coefficient
R^2 = = 0.760	Constant	-12535
n = 36	N	9365
Model: AVR = (*)	Constant	9365
R^2 = = 0.760	N^{-1}	12535
n = 36		
Model: R = (**)	Constant	-64852
R^2 = = 0.760	N	9021
n = 36	N^2	0.275
Model AVR = f (**)	Constant	9021
R^2 = = 0.760	N	0.275
n = 36	N^{-1}	-64852

Appendix –V

Total Cost Function of 36 Private Schools



Model : C= f (***)		Coefficient
R2 = 0.504	Constant	26807
n =36	N^2	-2.395
	N^3	0

Model : AVC= f (***)		Coefficient
R2 = 0.504	Constant	6827
n =36	N	-2.395
	N^{-1}	26807