

The Impact of Private Tuition to the Economy of the Households in Sri Lanka.

(Evidence based on Negombo Divisional Secretariat)

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Background/Introduction:

Apart from the researchers conducted by De Silva (1945) and Pallegedara (2011), a comprehensive analysis on household educational expenditure in Sri Lanka is not available in the literature based on primary data. Hence my motive was to bridge this gap to paint a clear picture on private tuition educational expenses in Sri Lanka which will also be useful for policy formulation and implementation in the country.

With regards of the economy of a country “Education” plays a vital role to accomplish it. Also, education defines as the process of facilitating learning, or the acquisition of knowledge, skills, values, beliefs and habits.

Sri Lanka is one of the few countries provide free education starting from grade one to university level with the great influence of the late Dr.C.W.W. kannangara. And also, Sri Lanka has been benefiting this free education policy from 1945. Sri Lanka’s Free Education policy aimed to provide each child an equal opportunity at educational success. Under the free education policy, parents of all classes were driven automatically to educate their children with no obstacles. In accordance to the free education system, education in Sri Lanka is highly competitive due to extremely competitive national qualifying examinations such as grade five scholarship examination, ordinary level (O/L) and Advanced level (A/L) examinations. This competition prevails in particular to get selected to national universities and the competition to enroll in popular schools. The high competition has created a higher demand for household private tuition expenditure on education in since the recent past in Sri Lanka (Pallegedara,2011).

Household education expenditure, falls into several fee categories. It refers to the amount of cash or the cash equivalent for educational goods and services. And also it includes the uniforms, school facilities fees, education related transport, hostel or boarding fees, private tuition fees, books, stationaries and other contributions (Tilak,2002). Out of all the educational expenses the “**private tuition fees**” takes the largest proportion.

Literature Review

Economists have been interested in economics of education both in theoretical and empirical research. Seminal works include Mincer (1958) which has been at the center of the estimates of returns to education and Becker (1964) human capital investment model. Hanushek (1979) provides early review and discussion of concepts and estimation issues in educational production functions. From Adam Smith to today (present), human capital accumulation or growth is broadly investigated in all the theoretical and empirical studies. (According to the further literature) education is taken as the key indicator of human capital in growth model (Solow, 1956), in endogenous growth model (Lucas, 1988) and also in total factor productivity¹ model (Krugman, 1994). Simply an individual's knowledge, skills, aptitudes and attitudes with contribute to the production process can be defined as human capital.

Problem Statement:

In spite of the fact that Government of Sri Lanka has supported the education sector in many ways, Sri Lankan households continue spending high amount on education. As is a growing competition for education in the island, the actual and opportunity cost of education is also growing accordingly, especially at household level.

Household expenditure on education is sizable not only in Sri Lanka but also in other developing countries. Even households with lower income groups also spend some considerable amount on education (Rao, 2014). However, the HIES data shows a very low amount 5.8% of Sri Lankan household average monthly expenditure on education in 2016 (latest survey data), 5.6% in 2012/13 and 2009/10, 4.4% in 2006/07. In view of present household expenditure on education this amount is far larger than HIE survey amount. So, it is an issue of not identifying and collecting the real information of household spending on education.

Educational Expenditure (Average Monthly Per Household)

HIES Survey Year	Sri Lankan Overall Percentage	Tuition Fees Percentage	Gampaha District Percentage
2016	5.8%	2.7%	6.0%
2012/13	5.6%	2.5%	5.4%
2009/10	5.6%	2.5%	5.6%
2006/07	4.4%	-	4.7%

Source: HIES Several Years Data, Department of Census and Statistics

¹ Total factor productivity (Solow residual) is the part of output not explained by the direct contribution of input resources and it is calculated by dividing economy-wide total production by the weighted average of inputs (Eg: labour and capital)

Addition to that, school level education is highly competitive in Sri Lanka. One major reason for that is Sri Lankan government has only 15 state universities, and there is a huge competition to enter, these universities. Due to that, Advanced Level (A/L) examination is in a very high standard level and only the top achievers can enter to state universities. Due to this high competition, parents are forced to select private tutoring as an option for the school level education. Therefore, the demand for private tuition has become very high and important. Sri Lanka also practices the same procedure on private tutoring expenditure. Moreover it is revealed that this private tutoring expenses has changed from luxury good in 1995/96 to a necessity good in 2006/07 (Pallegedara, 2012). So when considering the total household expenditure on education, the greatest percentage goes for the so called tuition fees and it helps to damage immensely the education expenditure patterns among the households in Sri Lanka.

Parents' time sacrificed for children education growing as well. Therefore, not only the fathers of the households but also the mothers of the households do overtime, part time work or 1-2 jobs to earn more, in order to spend on their children's education. Due to that parents do not get much time to spend leisurely and it creates many mental issues like depression and stress among the parents. And also, the children of the households get stressed by not receiving the leisure time to enjoy the childhood. This is also another issue faced by the children of the households. When they do not get their free time, they are also stressed fully with their educational activities, which is not good for their brain as well as for their health. Due to the high spending on education parents do not get chance of saving money for their future. It is also an issue and it will create less protection when they get a financial situation in the household.

The expansion of household private tuition expenditure on education is a critical issue of the households in Sri Lanka today. It is alarming to the pattern of consumption of the household and additionally, expansion of household expenditure on education leads to many drawbacks to the households. This is the current and the greatest phenomenon face by almost all the households of Sri Lanka.

Research Questions:

- I. Is there a relationship between private tuition expenditure on education and economy of the households?
- II. What are the key determinants of household private tutoring expenditure of education?
- III. What is the actual amount of household private tuition expenditure in Negombo Division?

Research Objectives:

- I. To identify the co-relation of the private tuition and the economy of the household
- II. To find out the key determinants of household private tutoring expenditure
- III. To find out the household private tutoring expenditure on education.

Methodology:

Both primary and secondary data have used in this study. And also, household's income and expenditure considered as the main tools to collect data from the survey study. Questionnaire, focused group interviews, individual interviews and observations have used to collect data from the primary resources. Secondary data were collected mainly from the Department of Census and Statistics, Central Bank, published thesis articles, Journal articles and books. This survey study has covered Negombo divisional secretariat to gather necessary data. 200 households have taken as the sample of this study. The stratified sample technique has used in this study to gather information from the sample. Moreover, as a limitation, selected households with children aged more than 5 years. The questionnaire was used mainly because of the possibility of gathering much information from the households in a shorter period of time. The researcher used a structured questionnaire with both closed and open-ended questions to collect data. The questionnaire included 2 main sections. In the questionnaire the first part included the questions to collect the background information such as gender, age, marital status, level of education, number of members in the household ...etc of the respondents. The second section used to collect data of various type of household expenditure on education. Finally, the collected data was analyzed using descriptive data analysis which included measures of central tendency, patterns analysis and graphical analysis of key variables of households' private tutoring.

Findings/Results:

- Identified the co-relation of private tuition and the economy of the households. When considering these 200 households found out that from the monthly expenditure at least 13.5% spent on private tuition. And also, high income households spent more on private tuition than the low-income households. According to the survey, found out that high income households (monthly income is around Rs.50000 -75000) spent 27.5% on private tuition expenses and low-income households ((monthly income is less that Rs.20000) spent 13.5% on private tuition expenses. The richer households are more likely to spend money on their children's private tuition fees.
- Moreover, parents' level of education also is another key determinant of household private tuition expense. The following table shows the level of education of the parents of 200 households,

Parents Level of Education

Category	Percentage of parents' level of education	Private tuition expenses %
Non-school attendants	5%	3% -10%
Up to grade 5	8%	6%-11%
Up to O/L	35%	15%-20%
Up to A/L	30%	13% -30%
Degree/Diploma Holders	22%	20% -45%

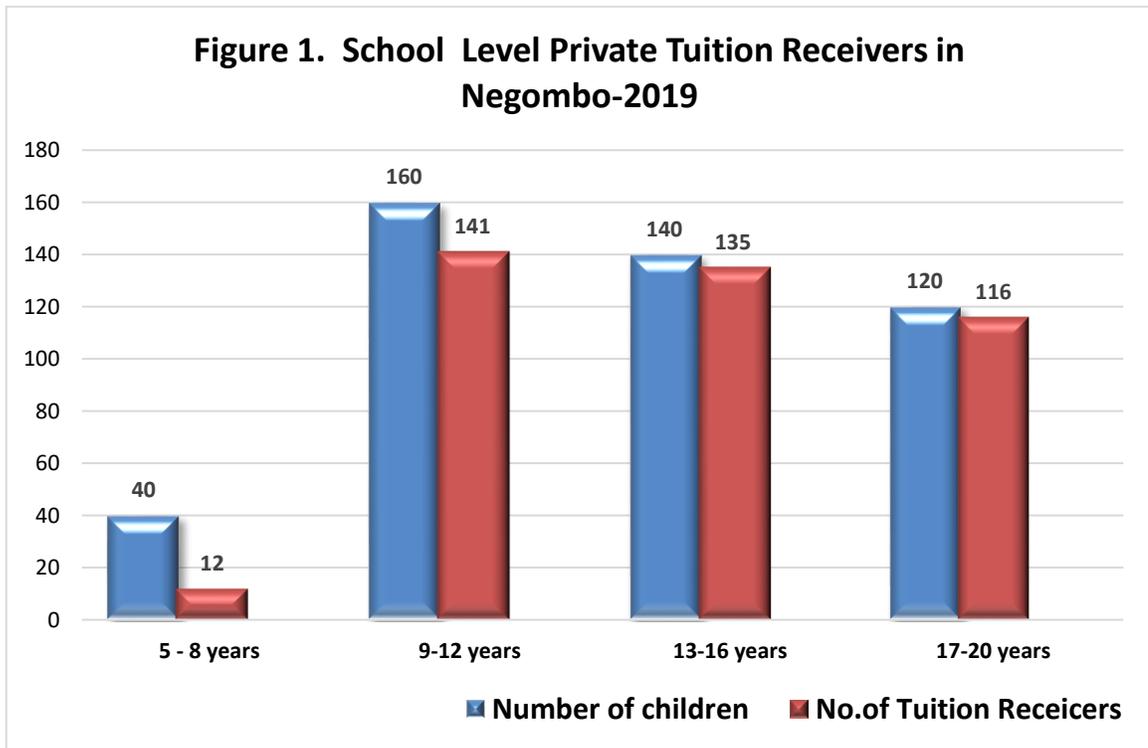
Note: considered at least one of the parents' level of education

When considering the single households, it revealed that most of the educated parents spent 20% or more than that on their children’s private tuition expenditure.

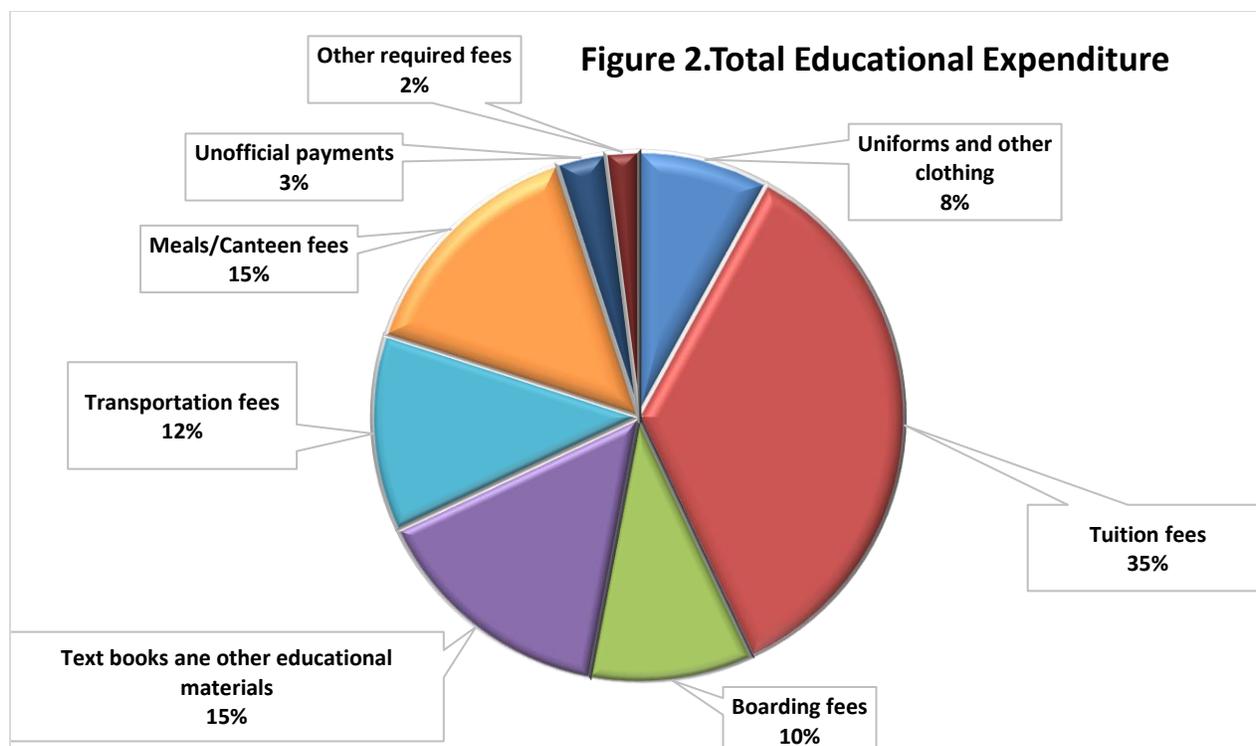
- And also, more than 89% of the overall school level children receive private tuition in the Negombo Divisional Secretariat.

Private Tuition Receivers Information in Negombo DS Division 2019

Age Group	Number of children	private tuition receivers	percentage
5 -8	40	12	30%
9-12	160	141	88%
13-16	140	135	96%
17-20	120	116	97%
Total	460	410	89%(Overall)



- And also, highest proportion from the education expenditure goes to the private tuition fees.



Recommendations/Suggestions:

Household expenditure on private tuition education is a current issue which face not only in Sri Lanka but also in the whole world. Depending on the above findings this study firmly suggests the government approval at the initiation of private institution, deciding on a common fee , having a regular update of educational qualifications of the tuition teachers /tutors , government can provide scholarships to needy students in order to reduce the household education expenditure burden , policy makers can introduce less competitive national school qualifying examinations by increasing the number of public universities and build new private universities ,introduce and train children to use “self-study method” in order to gain extra knowledge ,advance and technical innovation related education strategies introduce in the school curriculum ,ongoing seminars and trainings conduct for students to reach their future goals for the smooth flow of the education system in Sri Lanka.

By doing all these implements as a country, we are able to protect the household economy, which being the smallest economical unit that has a huge impact on economy in the country.

This is a timely need to pay close attention of the educational policy makers and respected authorities by investigating this crucial issue more rigorously.

Further Studies:

This study estimated only the private tuition expenses in Negombo divisional secretariat. But further researchers can be considered this for district levels, provincial levels or nationwide. And

also, this study has not investigated the types of private tuition classes in Sri Lanka or the quality of the private tuition industry in Sri Lanka.

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