

Privatization Of Education:

Social Assignments And Social Loan

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IN my opinion, time has come to rewrite a New Social Contract based on the fundamental assumption that man is born with obligations, not born free. As such, his duties should define his rights. The fulfilment of his obligations may be deferred, though. The Charter of Commission of Human Rights should then be reviewed and linked by establishing its counterpart: Commission of Human Duties. When a private decision affects the public interests and public good, a powerful case can be made to privatize education particularly the higher University education in Bangladesh, if not de-schooling society. Is it possible in Bangladesh? Our answer is in the affirmative. What is needed is a political will. The University schooling has become highly politicized resulting in serious distortions of resource allocation. There are definite reasons to believe that the quality of education has plunged to a significant level compared to its level of 1960's. The University Schooling has to a large extent produced a class of professional students and is producing either a generation of gentlemen, or unemployed and under-employed graduates of all disciplines or social alienation of all involved in the process. What is missing is educational accountability at all levels of operation.

In the context of the present harsh Socio-Economic realities of Bangladesh, it becomes a social imperative that a popular government has to make unpopular decision of privatizing at least a part of higher education in the first instance by educating and motivating the people to accept their social responsibilities. Social subsidy must be generated through social capitalization of savings.

At this stage it is important to draw a distinction between the public enterprises of commercial nature and other elements of public services, which are not normally provided through the market. Generally, non-commercial activities are kept outside the scope of privatisation in most developing countries whereas many of these services have been privatised in developed countries. It is important to pinpoint some of the areas where privatisation of education, health administrative services are possible in order to improve the (economic) efficiency of the eco-

nomy. There is a growing evidence in the developing countries such as Bangladesh where the public sector is over-expanded. A fine case can, therefore, be made for selective privatisation of non-commercial activities which are expected to produce positive results in terms of improved efficiency, lower fiscal deficits and better allocation of resources. In most of the developed countries such as the USA education particularly higher education is greatly privatised.

In the context of socio-economic realities of many developing countries, the role of privatisation of higher education deserves serious consideration. Perhaps, it would not be a mistake to initiate the process of privatisation of a part of higher education under which either students pay the full cost of education or he receives public subsidized higher schooling on condition that he will be required to repay this "social loan" in one form or another, or students may be given social assignments, which can be quantified in matching monetary terms.

Most of the Third World planners and politicians do not fully appreciate that unless social sector entitlement programmes such as free education, health care, etc. are linked to social repayment schemes or projects in one way or another the entitlement programmes tend to the misused, become inefficient and are expected to put the burden on the future generation, which amount to mortgaging children's future not for healthy social investment but to support a system of education which is not capable of producing cadres of people with a clear sense of civic pride and commitment to public service.

In the light of the present alarming trend of emigration by the educated and skilled personnel from countries like Bangladesh the critical question arises as to whether the third world universities are providing highly subsidized education and training to their people who would eventually leave the country to settle abroad at the first available opportunity, fill up the gap of manpower shortage of developed countries and become a source of relatively cheap labour.

It is not a distortion in the allocation of resources? For example, remittance of Bangladeshis working in

different foreign countries became the largest foreign exchange earner of the country in 1994. Ironically, a vast majority of these workers are unskilled or semi-skilled. The point is that these unskilled people having little or no education are the ones contributing to the development of the country, whereas the people receiving the higher subsidized education in the country are opting for settlement abroad.

The fact is that unless education grants, subsidies and loans are made contingent on a term of community or social service at a local and national scale, they would not produce the desired result. In such a situation educational grants and subsidy must not be seen as an end in itself. The current entitlement programmes in their present forms are designed to improve the quality of individual life and their upward mobility, thereby making the recipients selfish and individualistic. It is not geared in a way that will increase the level of their social awareness and commitment to public and community service. Thus, the concept of educational accountability, social cost and social reciprocity must be integrated into the very concept of educational subsidy or grants or loans in Bangladesh in particular and elsewhere in the third world in general.

There is an imperative need to calculate national social debt through calculation of cost incurred by the state in offering educational facilities to its citizens, particularly in the areas of higher education where the return from education appears to be very low under the present circumstances. It is to be presented as to who are the real beneficiaries of such an expensive higher education.

Since education, formal or non-formal, is a complex social product, the measurement of the rate of returns is highly complex. Unlike dams or steel mills, it is not possible to calculate the rate of financial returns on education projects because of the difficulty of determining the real size of consumption of investment and the social and political good it brings.

Besides the purposes of education are likewise complex and may be different in different societies depending on priorities. But in the context of subsidised education, the programme of human resource development must be designed to pro-

vide the knowledge and critical skill required by the economy and society. Therefore, the return on education in terms of increases in individual income and welfare alone cannot be taken as the only test of the effectiveness of educational programmes. The fact is that the measurement of rates of returns on national educational investment have both individual and social dimensions. Similarly, in the health sector also, there is a need to minimize the effects of "free-rider".

Action Programme

What is needed is an action programme. Ideas which can change the course and direction of human endeavors and society may seem impossible to achieve in the first instance.

At the operational level, Social Investment Bank, a three sector Unique of Model, intends to invest in education through social fellowship programmes in a modest way linking it to social assignments. Social subsidy in education can be mobilized through social funds, SIBL has already established its Social Fund by mobilizing Voluntary social saving, linked to its all Formal, Non-formal and Voluntary Sector Banking operations. It is limited but with an exciting experience, (contrary to popular belief) that SIBL within a very short time has been able to mobilize a surplus Social Fund for social investment purposes in family empowerment action programme, Education, health as well as social services sectors. A modest beginning has already been made. A step ahead is the beginning of thousand miles journey. Social Fund has, among others twin objectives to achieve: (a) Capitalization of social savings and Socialization of capital, through different prices of capital to different target groups of people. This social subsidy or social loan will generate further social savings for investment purposes. Because, one of the objectives of the Social Fund is to pool together individual voluntary contributions for planned social investment as well as to give social meaning and transparency to financial and banking transactions, thereby linking social entailments to social assignments.

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