

## **Demand for and Supply of Higher Education in Andhra Pradesh**

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### ***Abstract***

The rapid growth of the higher education (HE) during the last three decades in Andhra Pradesh largely affects the equilibrium of the demand for and supply of the higher education market in the state. The present paper is to analyze and discuss the demand for and supply of different courses of the higher education and variables that influence the survival and development of higher educational institutions in Andhra Pradesh. The demand for the higher education is determined by the development of the State, demands of the society, and the households' ability to pay for the higher education. The supply of the higher education refers to the availability of seats in different courses in the entire higher educational system of Andhra Pradesh. This structural imbalance between the demand for and supply of higher education is not only relevant to any one particular course or subject but also relevant to many courses and subjects. It is noticed that the intake of students in the courses like B.Tech, M.BA, M.CA, B. Ed, B. Pharmacy etc., in Andhra Pradesh in 2017-18 is higher when compared to the actual enrolment of students in these courses.

### **1. Introduction**

To meet the increasing demand for higher education in the state of Andhra Pradesh, the government relaxed its policies towards privatization of higher educational institutions without considering the quality of higher education. The deterioration of quality in the HE in the state of Andhra Pradesh led to the least interest among students to study in the state which is why they move to other states or abroad for their HE particularly engineering and management education. At present, various social and economic sectors in the state/country need more especially professional and technical talented man power, but the higher educational institutions and colleges have not been able to provide sufficient opportunities to have more capabilities to their students. The present structure of Andhra Pradesh higher education system doesn't meet with the requirements of the society or economy particularly with the requirements of industrial labour market. All these reasons may be more due to supply demand gap in Andhra Pradesh higher education.

## 2. Demand and Supply of Engineering Education

The total intake capacity of all engineering colleges for the first year in Andhra Pradesh was 10,455 in 1995-96. The number of students appeared for EAMCET (Engineering) was about more than one lakh and more than 50 percent were qualified in the test. Hence, all the seats have been filled. The similar trend was observed till 2000-01 (Table 1). Thereafter, the intake capacity of engineering colleges increased to 3.4 lakhs by 2013-14. But the total students appeared for the EAMCET were 3.7 lakhs and 2.8 lakhs were qualified. However, only 1.26 lakh students joined the courses. Thus, more than two lakh seats are vacant. Therefore, there is no adequate demand for engineering education in Andhra Pradesh in recent years due to steep fall in the availability of jobs and the absence of linkages with job providing agencies and industry. As a result of the twin effects of oversupply and steep fall in the availability of jobs due to slowing down of job market at national markets and international markets, technical education lost its charm over a period of time AP.

**Table 1: Demand and Supply of Engineering Education in AP**

| Year     | Intake   | Students Appeared for EAMCET | Students Qualified | Students Enrolled | Vacant Seats |
|----------|----------|------------------------------|--------------------|-------------------|--------------|
| 1996-97  | 10,455   | 1,00,600                     | 56,864             | 10,455            | 0            |
| 2000-01  | 30,716   | 1,59,158                     | 1,54,787           | 30,716            | 0            |
| 2010-11  | 2,69,175 | 3,67,269                     | 3,04,715           | 1,94,203          | 62,523       |
| 2013-14  | 3,40,099 | 3,76,979                     | 2,82,086           | 1,26,431          | 2,13,668     |
| 2015-16* | 1,57,074 | 1,62,814                     | 1,35,532           | 72,059            | 85,015       |
| 2017-18* | 1,57,074 | 1,62,814                     | 1,37,153           | 77,059            | 80,015       |

Source: APSCHE Souvenir, 2014; \* Indicates after bifurcation of the state

The access of engineering education in Andhra Pradesh suffers from rural- urban imbalances. Majority of private engineering colleges are located in a few urban centers while many rural areas that urgently needed development could not get many. A balanced growth of technical education in Andhra Pradesh is desirable. Even within the district, there are imbalances leading to the fact that most of them have been opened in district headquarters and ignored other parts of the district.

## 3. Demand and Supply of Management and Teacher Education

The similar trend like Engineering Education is observed in the case of Management Education (MBA) and Teacher Education (B.Ed) and also other professional courses except Medicine. For instance, only 33881 seats have been filled out of 45695 available seats in the management colleges in AP during the academic year 2017-18 (Table 4.24). Similarly, out of 36,180 seats available in B.Ed colleges in the state, only 6077 seats have been filled in all B.Ed colleges in the state in 2015-16. However, the situation has improved by 2017-18 (Table 2).

**Table 2: Demand and Supply of MBA Education in the Andhra Pradesh**

| Year     | Intake | Students Appeared for MBACET | Students Qualified | Students Enrolled | Vacant Seats |
|----------|--------|------------------------------|--------------------|-------------------|--------------|
| 1996-97  | 2145   | 43000                        | 23002              | 2145              | 0            |
| 2000-01  | 4680   | 40633                        | 32945              | 4680              | 0            |
| 2010-11  | 78340  | 148367                       | 131718             | 61150             | 17190        |
| 2013-14  | 96060  | 108453                       | 98769              | 68438             | 30331        |
| 2015-16* | 45695  | 78755                        | 63768              | 28540             | 17155        |
| 2017-18* | 45695  | 76600                        | 61038              | 33881             | 11814        |

Source: APSCHE Souvenir, 2014; \* Indicates Post bifurcation of the State

**Table 3: Demand and Supply of Teacher Education (B.Ed) in the AP**

| Year     | Intake | Students Appeared for EDCET | Students Qualified | Students Enrolled | Vacant Seats |
|----------|--------|-----------------------------|--------------------|-------------------|--------------|
| 1996-97  | 5500   | 96000                       | 74132              | 5500              | 0            |
| 2000-01  | 11450  | 168931                      | 115603             | 11419             | 31           |
| 2010-11  | 64664  | 188454                      | 184217             | NA                | NA           |
| 2013-14  | 69068  | 149317                      | 123761             | NA                | NA           |
| 2015-16* | 36180  | 25485                       | 20142              | 6077              | 30103        |
| 2017-18* | 36260  | 46190                       | 37600              | 29017             | 7243         |

Source: APSCHE Souvenir, 2014; \* Indicates Post bifurcation of the State

Very interestingly, there are 16 B.Tech Colleges in which not a single student has taken admission. In respect of B.Ed and MCA Courses, the number of zero admissions' colleges is 10 and 23 respectively. It is 4 in each in the case of B.L and B.P.Ed (Table 4). Moreover, majority of colleges in all the disciplines have filled below 75 percent of the seats. The main reasons for these situations are improper planning, over supply of higher education and deficiency in skills among students.

**Table 4: Percentage of Seats filled by Number of Colleges under Different Courses in AP: 2015-16**

| % of Seats Filled | B.Tech | B.Ed | B.L | BPED | MBA | MCA |
|-------------------|--------|------|-----|------|-----|-----|
| 75 – 100 %        | 140    | 245  | 5   | 5    | 309 | 70  |
| 51 – 75 %         | 49     | 74   | 6   | 1    | 39  | 22  |
| Below 50%         | 117    | 47   | 23  | 32   | 32  | 44  |
| 0 %               | 16     | 10   | 0   | 4    | 4   | 23  |
| Total             | 322    | 376  | 34  | 42   | 384 | 153 |

Source: APSCHE

## 4. Supply and Demand Gap in A P Higher Education

Supply and demand gap in Andhra Pradesh higher education under different courses is shown in Table 5. The data show that there are large number of seats which are vacant in all the courses except in Medicine. It can

be inferred that there is a substantial gap between supply of HE and demand for HE. At the Graduate Level, the Supply Demand Gap is the highest (72.5 percent) in B.Pharmacy followed by B.L with 45.9 percent, Degree and B.Tech with 44.4 and 43.4 respectively. Whereas at the PG Level, this gap is the highest in M.Tech (68.3 percent) followed by MCA (54.9 percent) and MBA with 25.8 percent. The whole system shows that there is a high mismatch between the availability of seats and actual enrolment of students.

There are several reasons for supply demand gap in the HE in the state. There are several reasons for this situation like the supply of graduates is increasing year by year, but the employment of graduates is not on par with it. The adoption of modern technology in many fields and more capital intensive methods in the production sector have reduced the necessity of the employing the labour force. The failure of state/ domestic industrial sector to produce most of the goods results not only in the import of capital goods but also most of the consumer goods.

**Table 5. Supply and Demand Gap in AP Higher Education (2017-18)**

| Type of Course | Number of Colleges | Intake | Students Enrolled | Seats Vacant | Supply Demand Gap (%) |
|----------------|--------------------|--------|-------------------|--------------|-----------------------|
| Degree         | 1427               | 432000 | 240000            | 192000       | 44.4                  |
| B.Tech         | 314                | 157074 | 88910             | 68164        | 43.4                  |
| B.L (Law)      | 32                 | 9347   | 5061              | 4286         | 45.9                  |
| B.Ed           | 462                | 36180  | 29017             | 7163         | 19.8                  |
| B. Pharmacy    | 116                | 12030  | 3306              | 8724         | 72.5                  |
| B.P.Ed         | 52                 | 4350   | 2580              | 1770         | 40.7                  |
| M.B.A          | 368                | 45695  | 33881             | 11814        | 25.8                  |
| M.C.A          | 135                | 10750  | 4840              | 5910         | 54.9                  |
| M.Tech         | 253                | 34952  | 11174             | 23778        | 68.3                  |
| M.B.B.S        | 29                 | 4300   | 4300              | 0            | 0                     |
| B.D.S          | 15                 | 1350   | 1340              | 10           | 0.7                   |

Source: APSCHE

## 5. Supply and Demand Gap in Students' Enrolment at Yogi Vemana University (Sample University), Kadapa

It has been discussed so far about the demand and supply of higher education in the state. In this analysis, the demand and supply of various courses like engineering, MBA, MCA, B.Ed, etc in different managements i.e., in government and private unaided colleges of past three decades. Now, it is equally important to talk about the demand and supply connection at university level. In this connection, YVU has been selected as the sample university to observe the availability of seats and their admissions.

The total seats available in YVU are 1773 out of which 480 are allotted for M.A, 80 for M.Com, the highest number of seats 1108 for M.Sc, 70 for M.P.Ed and the lowest number of seats 35 for M.Ed. In this regard, M.Com is the only course in which all seats are filled. All other courses have many vacant seats. On the whole, 479 seats out of 1773 are vacant in which M.Sc (290) has the highest vacant positions (Table 6). Coming to the private affiliated colleges under YVU, there are 1880 seats out of which 1080 seats are for M.Com, 760 for M.Sc and 40 for M.A. and a total of 436 seats are not filled out of 1880 seats. The highest vacant posts can be observed in M.Com (249) while the lowest in M.A (12) interestingly (Table 4.29).

**Table 6: Supply and Demand Gap in Yogi Vemana University, Kadapa  
(2017-18 and 2018-19)**

| Course | Intake | Seats Filled | Vacant Seats |
|--------|--------|--------------|--------------|
| M.A    | 480    | 360          | 120          |
| M.Com  | 80     | 80           | 0            |
| M.Sc   | 1108   | 818          | 290          |
| M.P.Ed | 70     | 36           | 34           |
| M.Ed   | 35     | 0            | 35           |
| Total  | 1773   | 1294         | 479          |

Source: DOA, Yogi Vemana University.

**Table 7: Supply and Demand Gap in Affiliated Private Colleges under Y V U  
(2017-18 & 2018-19)**

| Course | Intake | Seats Filled | Vacant Seats |
|--------|--------|--------------|--------------|
| M.A    | 40     | 28           | 12           |
| M.Com  | 1080   | 831          | 249          |
| M.Sc   | 760    | 585          | 175          |
| Total  | 1880   | 1444         | 436          |

Source: DOA, Yogi Vemana University.

Here, the big question is why this type of situation is prevalent in the system of Andhra Pradesh higher education. To answer this question, it is essential to have an understanding of the educational planning in India and particularly in Andhra Pradesh's higher education. Further, to understand the educational planning, it is necessary to understand the various approaches in educational planning such as Social Demand Approach, Manpower Requirement Approach and Rate of Return Approach.

Social Demand Approach speaks about the prevalence of some societies which honour traditional cultural values. In these societies, decisions are made based on public opinions. This social demand approach deals with currently expressed preferences. It does not take into consideration about government spending on education in relation to the benefits of education.

Sometimes, it also speaks about the mismatch between output of the HE and the demands of the economy. This approach is mainly planned at making special provisions for the students who are disadvantaged in terms of social, economic and educational criteria. This Approach takes into consideration with respect to establishing women's colleges, colleges for tribals, and providing scholarships, fee reimbursement schemes, incentives and relaxations. Social demand approach does not pay any attention to the availability of employment opportunities. If the higher education is provided only on Social Demand Approach, in many economies as the labour market is extremely rigid and over production of high level manpower could result in long run unemployment or at least underemployment of such manpower. This kind of phenomena is observed in the state of Andhra Pradesh even among the well qualified and highly educated people like Ph.D. Highly qualified people with Ph.D. holders are applying for Jobs like Lower Cadre Posts like Clerks, Junior Assistants, Village Secretaries, Conductors in the Andhra Pradesh Road Transport Corporation, Police Jobs, etc. This indicates wastage of capital investment in human resources, when severe disequilibrium between supply and demand exists.



Manpower Planning Approach aims at the system of the HE which yields the proper quality and required man power resources. This approach helps in providing desirable knowledge, right attitudes and proper skills. This approach places a positive role in meeting the requirements of the state or country. In this approach, scarce financial resources have been used most efficiently. This approach paves the way to meet the requirements of employment without any unemployment. Depending upon the type of the requirement of the skilled personnel, this approach extends training to people and make them suitable to fulfill or overcome the shortage of those skills.

According to the Rate of Return Approach, educational investments should be searched that the returns from the investment should be equal to the returns from the HE. This approach helps in the efficient and optimum utilization of scarce resources. It leads to the situations in such a way that the resources are not wasted.

## 6. Conclusion

The above said demand supply analysis reveals that the present HE system in AP has low demand. There are several factors which determine the demand for higher education. Like the general demand theory, cost of the HE and parental income are the two important factors which determine the demand for the HE. Apart from these, many other factors like employment opportunities and job expectations also influence the demand for HE. In fact, the admission of students in HE is influenced by the public policy on the supply of education and government expenditure for education. Apart from these, family incomes of the students, opportunity cost, and private rate of returns from HE are the powerful influencing factors in determining demand for higher education. Reduction of private costs helps in the lessening the burdens for students who belong to poor families and they are likely to increase their demand for education.

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