

# National Human Development Initiative

## Education in the Union Budget

Jandhyala B G Tilak

The finance minister in his budget speech stated that "high priority is being accorded to problem of the human resource development in the Ninth Plan". One of the important components of the 'National Human Development Initiative' announced in the Union Budget is education. Education is also recognised as an important item of 'basic human development needs' and is one of the items of the prime minister's special action plan. Do the programmes and financial resource allocations proposed in the Union Budget, and the Ninth Plan match these high sentiments expressed in favour of education? Answers to this question is attempted here examining the Draft Ninth Five-Year Plan 1997-2002, the Economic Survey 1998-99, and the Budget 1999-2000.

THE budget is neither a policy paper, nor is it a plan document. It is only a budget document. Plan is an instrument of the government to translate the policy into a plan of action; and budget represents financial commitment of the government to put the plan of action on the field. In this sense, one can expect a vision in the policy paper and in the perspective plan, and to some extent in the five-year plans, but one may not expect a vision, not to speak of a great or a radical vision, to flow from an annual budget speech of the finance minister and the related budget documents. At the same time budget is an important document, as it reflects the actual priorities, including changing priorities, of the government in terms of financial allocations. Besides, the budget for 1999-2000 assumes significance as it raises expectation of the people for this forms the first budget of the present union government after the Ninth Five-Year Plan was approved. That the plan is in only a draft form that too after two years of the plan period are over, is a different issue. Further, as this is the budget that takes the nation into the next century and the millennium, whatever it may mean, people may rightly have high expectations on the budget.

One of the important initiatives proposed in the Union Budget 1999-2000 'to empower vulnerable groups in society' is the 'National Human Development Initiative' (NHDI) that includes making available food, health care, education, employment and shelter to the entire population of this country within a decade. The finance minister has also stated in the budget speech that the NHDI "will go a long way in empowering the weakest sections of the population and improving the quality of rural life". This short article is concerned with one component of the NHDI, viz, education. The government recognises that education is an important

item of 'basic human development needs'. It is also promised in the budget that "high priority is being accorded to the problem of human resource development in the Ninth Plan" (*Expenditure Budget*, vol I, p 43). Education is also identified as an item of the prime minister's special action plan (SAP) – an acronym that unfortunately refers to a different set of policies) in the Ninth Five-Year Plan. Do the programmes suggested in the Ninth Five-Year Plan and in the Budget and the allocation of resources in the Union Budget 1999-2000 match these hymns sung in praise of education? What is the place accorded education in the Union Budget? What are the education priorities of the government reflected in the budgetary allocations? And what are the programmes that the government intends to initiate in this context. Answer to these questions is briefly attempted here examining the three major documents of the government that are made available to the public within a gap of few days during the last two-three weeks, viz, the *Draft Ninth Five-Year Plan 1997-2002*, the *Economic Survey 1998-99*, and the *Budget 1999-2000*.

### THE CONTEXT

First, the context. The *Economic Survey* reports on the rapid quantitative achievements made in literacy, number of primary schools, enrolments, improvement in dropout, etc, during the post-independence

period, which is indeed impressive, as there has been a quantitative explosion in numbers in the five decades of independence. But the *Survey* refuses to note that there are yet a large number of children who should be in the schools, but are not. According to the 42nd round of the National Sample Survey [NSSO 1991], there were about 70 million children out of school in the country in 1986-87. While we claim to have made rapid progress in enrolment of children into schools, quick calculations based on the 52nd round of the National Sample Survey conducted in 1995-96 suggest to the contrary. The number of out of school children has indeed grown significantly during the decade. It could be as high as 90 million in 1995-96 (Table 1). Had this growth continued, which is most likely, it means that India plans to enter the 'knowledge based society' of the 21st century with about 100 million children who perhaps have never been to any school. Unfortunately, neither in the Five-Year Plan nor in the annual budget, the magnitude of the problem is recognised, and any urgency has been shown to check the growth of out of school children in the country, though at the same time it is stated in the budget speech that "access to primary education is critical for empowering poor".

Secondly, the Five-Year Plan and also the Budget seem to have paid no attention at all to another important issue, viz,

TABLE 1: OUT OF SCHOOL CHILDREN IN INDIA, 1995-96

Age Group	Population 1996 (Million)	Age-Specific Attendance Rate (Per Cent)	Children in Schools (Million)	Out of School Children (Million)
6-11	144.59	69	79.07	65.52
11-14	86.16	72	62.04	24.12
6-14	230.75	61	141.11	89.64

Note: Age specific attendance refers to children of the given age group enrolled in any level of education.

Source: NSSO (1998) for attendance rate; and Registrar General of India (1996) for population.

requirement of financial resources for making elementary education a fundamental right. Finding resources to finance this fundamental right is an urgent task as well as, contrary to popular fears, is an entirely achievable task. On the basis of the recommendation of the high powered Saikia Committee [Government of India 1997], a group of experts was constituted to estimate the requirement of financial resources for making elementary education a fundamental right in the Constitution. The group submitted its report recently and the *Report* [Government of India 1999] was available to the government just in time for the preparation of the Five-Year Plan and the annual budget; but it could not receive any attention of the government. Based on a detailed estimation of costs of each item/programme, the group of experts has estimated that universalisation of elementary education requires additionally Rs 136.8 thousand crore during the next 10 years. While this figure may seem to be awesome, certainly being much higher than the Rs 40,000 crore for a five-year period, estimated by the Saikia Committee, it needs no special skills to understand that additionally it means only Rs 14,000 crore a year on average, or additionally 0.7 per cent of GDP (if the GDP grows at a modest rate of growth of 5 per cent per annum). This should be easily possible. According to the committee's estimates, this would provide for a reasonably good pupil-teacher ratio of 1:30, improved physical access to schools, provision of instructional material, other necessary incentives, and on the whole a tolerable minimum level of quality of education, etc, to every child in India by the end of the first decade of the 21st century. The expert group also felt that if the government is serious about allocation of 6 per cent of GDP to education, the task becomes much more easy: 6 per cent of GDP would not only provide the needed resources for universalisation of elementary education, but it also allows provision of additional resources for growth of secondary and higher education. Further, the group showed that increasing of total allocation to education to reach 6 per cent of GDP is not at all difficult, given (a) the economy is likely to grow at a rate of growth of above 5 per cent, (b) the likely increase of tax/GDP ratio from 16 per cent to 18 per cent, and (c) the likely increase of the non-tax-revenue/GDP ratio from about 6 per cent to 5 per cent during the next 10 years. The expert group also observed that as the states might find it difficult to provide additional resources for elementary

education, the centre "would have to provide for a lot of the additional resources as most of it would come as a Plan expenditure". The group also had attempted to clear two absurd propositions that are in circulation: (a) that we cannot have universalisation of elementary education, because it is too costly; and (b) that the only way to have it to divert funds to it from higher education.<sup>1</sup>

While the *Report* and the estimates therein do not seem to have received the attention of the government, the issue of making elementary education a fundamental right and thereby a justiciable right through the constitutional amendment cannot be brushed aside, as (a) the 83rd amendment of the Constitution is pending before the parliament for approval, this having been introduced long ago in 1997 in Rajya Sabha, and more importantly (b) the judgments of the Supreme Court (1992, 1993) already made elementary education a fundamental right. As Tilak (1999) argued, "there is no need to wait on the part of the government or society at large to initiate any meaningful action towards providing this fundamental right to everyone". The government of India and the governments in India seem to prefer waiting for the uncertain adoption of the bill to initiating any immediate action. The Union Budget (1998-99) made an allocation of Rs 35 crore as 'special assistance' to states and union territories for implementing elementary education as a fundamental right. The revised estimate is only Rs 1 crore. Now a token amount of Rs 5 crore is allocated in the 1999-2000 Budget, stating that the *special scheme* "has not come into operation as the bill is yet to be considered by parliament". No efforts are being made by the states in this direction; and no special efforts have been made by the union government either. The Ninth Five-Year Plan and the annual budget do not propose any specific programme as such. It is obvious that the bill seeking the 83rd amendment is not a priority item on the national agenda.

#### EDUCATION GUARANTEE SCHEME

By identifying education as an important item of the NHDI, the government of India expresses its intention of according a high priority to education. But that priority is not clearly explicit either in the programmes identified in the Five-Year Plan, or in the annual budget or more importantly in the budgetary allocations. A major important initiative that the government proposed in the Budget is the 'Education Guarantee Scheme' (EGS) at

the national level. Aimed at "providing an opportunity to the rural poor, especially those belonging to the scheduled castes, scheduled tribes and other backward classes to secure education for their children", drawing from the experience of EGS of the government of Madhya Pradesh [Gopalakrishnan and Sharma 1998] a national programme of EGS is being proposed by the union government. The scheme is meant for those areas where no school currently exists within a radius of 1 km. So these areas could be the areas where the poorest of the poor live. By adopting distance norms (the school could be located within a walking distance – being replaced by radius – of 1 km), norms regarding size of population of the habitation (minimum size required is 300), etc, in educational planning until now, the educational needs of the population in these areas were neglected, stating that it is 'unviable' to open a school in such areas. So payment of attention to these areas now is important. But the EGS has a major internal contradiction.<sup>2</sup> The EGS envisages the poor local community to (a) come forward, expressing demand for a school, (b) specifically provide the premises required for a school, (c) provide for a local part-time teacher, and (d) maintain the school at least for two years with the gram panchayat mobilising contributions in cash and kind from the local community. The role of the government – the centre and the state – is confined to providing teaching material and other assistance, and to 'support' the important initiative. After the poor village community maintains the school 'successfully' for two years in an area where otherwise the government feels that a school is an unviable proposition, perhaps the government would come forward with more assistance. The logic behind the national EGS to involve local community in education may seem sound; but there is, thus a contradiction in expecting the local community in the poor, small and scattered habitations to do all the ones listed above. In a normal area (may be urban), where already schools exist, a new school if required, may be started with the full assistance by the government or local body, or be established by the government itself; but in the poorest of the poor regions, where people were deprived of a minimum schooling facility for several years (perhaps in addition to deprivation of all other basic needs), people are required to pay in cash and kind and initiate a schooling activity on their own!

Moreover, with the criterion of maintenance for two years, in effect, the govern-

ment may not have to spend any significant amounts in starting 1.8 lakh promised primary schools during the Ninth Five-Year Plan period, as already more than two years of the plan period are over. Accordingly it is not surprising to note that there is no specific allocation in the current budget for EGS separately.<sup>3</sup>

Unfortunately, the *Economic Survey 1998-99* that is presented to the parliament a few days before the presentation of the Union Budget, also does not indicate the nature of 'high priority' that is likely to be accorded to education. In the 170 pages of the *Survey* (excluding the statistical appendix), a little more than a page is devoted to education; and education is also confined to 'Primary Education and Literacy'. Not even an oblique reference could be found to secondary or higher education, not to speak of higher professional/technical education. This trend – of confining the *Economic Survey* and other major official documents to primary education and literacy – could be noted in the last few years, making one to fear that we may gradually end up with only primary education or literacy. Sometimes the distinction between the two – primary education and literacy was also found missing.

In addition to referring to many ongoing programmes, the *Economic Survey* makes reference, drawing from the *National Agenda of Governance* to two policy relevant statements that are somewhat inconsistent with the long held official position. What are they?

#### UNIVERSAL PRIMARY OR ELEMENTARY EDUCATION?

The first specific reference in the *Economic Survey* is to free and compulsory primary education. "Education for All – Free and compulsory education up to the fifth standard and total eradication of illiteracy" (p 150). The Article 45 of the *Constitution of India* states that "the state shall endeavour to provide, within a period of 10 years from the commencement of this Constitution, for free and compulsory education for all children until they complete the age of 14 years". Accordingly, every Five-Year Plan, the *National Policy on Education 1968* and the *National Policy on Education 1986*, clearly stated that free and compulsory education refers to eight years of elementary education and the relevant age group of the children was 6-14. The Supreme Court of India in its judgment (1993) also observed: "The citizens of the country have a fundamental right to education...every child/citizen of this country has a right to free education until he completes the age of

14 years..." Thus the constitutional directive of free and compulsory education has been interpreted all these years so as to refer to eight years of elementary education – five years of primary education and three years of upper primary. But the *Economic Survey* refers to education up to fifth standard only.<sup>4</sup> In fact, based on international evidence, some [e.g., Tilak 1998] argue that it is desirable to extend at least gradually the duration of the cycle to the whole school education, i.e., 12 years of schooling for the children of the age group 6-18. But the *National Agenda of Governance*, the draft *Ninth Five-Year Plan* (vol II, p 101) and the *Economic Survey* (p 150) – all refer to primary education only and further not to give any illusion that by primary education actually elementary education is meant, all clearly say, "up to fifth standard" only. Also in the discussion under 'Primary/Elementary Education' in the draft *Ninth Five-Year Plan* (vol II, pp 115-16) the whole discussion is rather exclusively on primary education; upper primary education does not figure at all, except stating that "greater emphasis will naturally have to be laid on achieving UPE at the lower primary stage, in the first phase" (p 117). Such an approach may lead, paradoxically, as the nation gradually progresses, to minimisation of minimum basic needs of human development in India.

#### SHARE OF EDUCATION IN NATIONAL INCOME: SIX PER CENT OF GNP?

The second issue relates to financing of education. The *Economic Survey* states: "Financing of education – increase in government and non-government spending on education, and bringing this up to 6 per cent GDP level" (p 150). This is also not altogether new, though few expected that it would find a place finally in the *Economic Survey* and in the draft *Ninth Five-Year Plan*. The *National Agenda for Governance* has promised to "formulate and implement plans to gradually increase the governmental and non-governmental spending on education up to 6 per cent of the GDP" (p 5; emphasis added). The *Economic Survey* (p 150) repeats this goal verbatim; so does the draft *Ninth Five-Year Plan* (vol II, p 101). This is not in conformity with the widely accepted view and the resolve made by the government of India repeatedly earlier that the *government expenditure on education* would be raised to the level of 6 per cent of GNP or GDP.

The origin of this resolution is the recommendation of the Education (Kothari) Commission. The Education Commission

(1966) under the chairmanship of D S Kothari had recommended that the public expenditure on education in India should be increased to at least 6 per cent of national income by 1986. The recommendation was based, *inter alia*, on (a) the projected requirements of education sector in India, and (b) on international comparisons. This goal was reiterated in the *National Policy on Education 1968*. Since the goal could not be achieved, the goal was again reiterated in the *National Policy on Education 1986* (including the revised Policy in 1992). The review committee on National Policy on Education (Acharya Ramamurthy Committee), and the several reports of the CABE have repeatedly made it clear that 6 per cent of national income should be devoted to education from the government exchequer – by the central and state governments. The then prime minister of India also promised in 1993 from the ramparts of the Red Fort to the same extent.

When some doubts were expressed on this clause in the *National Policy on Education 1986*, Anand Sarup (1988), former education secretary, who was involved in the formulation of the *National Policy on Education 1986* made it abundantly clear. Sarup (1988:253) observed: "Since it is public policy on education that is the crucial determinant of available educational places and opportunities in our country, it (6 per cent) is the Centre and State expenditure on education that is used for policy planning and implementation. This includes both plan and non-plan outlays" (emphasis added).

Secondly, the Education Commission observed that "economically advanced countries like Japan, US and USSR were spending more than 6 per cent of their GNP on education. These countries spent no more than a small fraction of their GNP on education at the beginning of the century. Further, these countries might be spending about 10 per cent of GNP by 1986, and in fact more than 10 per cent, if comprehensive disarmament takes place. The gap between India and other rich countries needs to be reduced" and accordingly recommended that India should allocate 6 per cent of national income to education.

Since international comparisons formed an important basis for the recommendation of the Kothari Commission, it is important to note that most international statistics<sup>5</sup> and national level statistics on education expenditures in other countries refer to public expenditures only. These statistics rarely include private expenditures on education.<sup>6</sup>

One can also safely conclude that the recommendations of the Delors Commission [International Commission on Education for the Twenty-first Century 1996],<sup>7</sup> UNDP and other intentional organisations are at least partly influenced by the policy goal of the government of India that it would allocate 6 per cent of national income from the public exchequer.

Thus inclusion of non-governmental spending on education for the purpose of reaching the goal of 6 per cent of GDP (and to show that we have over or nearly achieved) is thus against the letter and spirit of the resolution of the government of India (1968) and later official papers.<sup>8</sup> It may also be noted that when the Planning Commission made earlier during the Janata government period a similar attempt formally or informally in 1988 [Kolhatkar 1988], reinterpreting the 6 per cent to be consisting of public and private expenditures, it backfired, with an uproar in the parliament and finally the government sticking to the earlier position of allocating 6 per cent from the government sources.<sup>9</sup>

Of course, there is no sanctity of the 6 per cent norm, as actual requirements of financial (and physical) resources for education have to be periodically worked out, as has been stated in many policy documents. According to the recent estimates [Tilak 1994], the government expenditure on education has to be raised to above 8 per cent of national income to fulfil the modest goals of the education

system. Instead of planning to raise the level of public expenditure from the current level of 3.7 per cent of GDP<sup>10</sup> to at least 6 per cent, if not higher, the government seems to be arguing that the goal has already been achieved, as it is argued that the 6 per cent should compose of not only government expenditure, but also household and private sector, including household expenditures on education. This is attempted in the *Economic Survey* as well.

#### ALLOCATION OF FINANCIAL RESOURCES

Now a few specific issues on allocation of resources to education. First, the draft Ninth Plan does not give any details regarding allocation of resources to education,

not to speak of allocation within education to various sub-sectors. The only financial allocation referred to in the draft Ninth *Five-Year Plan* (vol I, p 183) is under the special action plan of the prime minister: Rs 20.4 thousand crore is allocated, as a part of the central outlay. For the centre and the states/union territories as a whole, allocation to social services is made as a lump sum, Rs 1,82,000 crore.<sup>11</sup>

In the absence of any more details on the allocation of resources to education in the Ninth Plan, let us briefly look at the allocations made in current year's annual budget of the union government (Table 2). In the last year's and also in the current year's annual budgets there has been a reasonable, though not a very significant,

TABLE 3: UNION GOVERNMENT BUDGET EXPENDITURE ON EDUCATION, SPORTS AND YOUTH AFFAIRS (REVENUE + CAPITAL)

	Expenditure (Rs in Crore)			Percentage of Total Government Expenditure		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total
1990-91	965	721	1686	3.40	0.94	1.60
1991-92	993	762	1755	3.21	0.95	1.58
1992-93	1104	774	1878	3.01	0.90	1.53
1993-94	1440	938	2378	3.30	0.96	1.68
1994-95	1819	980	2799	3.84	0.86	1.74
1995-96	2409	1221	3630	5.19	0.93	2.04
1996-97	2701	1287	3988	5.05	0.87	1.98
1997-98	3473	1510	4983	5.88	0.87	2.15
1998-99B	3385	1802	5187	4.70	0.92	1.94
1988-99R	4345	2388	6733	6.36	1.12	2.39
1999-2000B	5053	2085	7138	6.56	1.01	2.51

Note: R: Revised estimate; B: Budget estimate.

Source: *Expenditure Budget 1999-2000*, vol I, pp 84-85.

TABLE 2: ALLOCATION OF RESOURCES TO SELECTED PROGRAMMES OF EDUCATION IN THE UNION BUDGET

(Rs in crore)

	1998-99R			1999-2000B			Percentage increase		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
Grand Total	4044.2	2352.6	6396.8	4699.0	3237.7	7936.7	16.2	37.6	24.1
<i>Elementary education</i>	2741.3	1.8	2743.1	3035.1	1.8	3037.0	10.7	4.0	10.7
Operation blackboard	304.0		304.0	400.0		400.0	31.6		31.6
Non-formal education	160.0		160.0	350.0		350.0	118.8		118.8
DPEP	550.0		550.0	750.0		750.0	36.4		36.4
Nutritional support	1400.2		1400.2	1031.1		1031.1	-26.4		-26.4
Special assistance to make elementary education a fundamental right	1.0		1.0	5.0		5.0	400.0		400.0
Free education for girls	100.0		100.0	160.0		160.0	60.0		60.0
<i>Secondary education</i>	432.8	560.4	993.2	558.2	578.5	1136.7	29.0	3.2	14.5
Kendriya vidyalayas	88.0	435.0	523.0	90.0	454.8	544.8	2.2	4.6	4.2
Navodaya vidyalayas	291.5	85.0	376.5	340.7	91.0	431.7	16.9	7.0	14.7
Vocational education	10.0		10.0	10.5		10.5	5.0		5.0
Computers in education	10.0		10.0	10.0		10.0	0.0		0.0
Educational technology	15.0		15.0	18.0		18.0	20.0		20.0
<i>University/higher education</i>	392.5	1210.0	1602.6	445.9	1974.0	2420.0	13.6	63.1	51.0
Adult education	77.1	3.2	80.2	110.0	3.4	113.4	42.8	8.2	41.4
<i>Total general education</i>	3699.7	1810.9	5510.6	4246.3	2564.7	6811.0	14.8	41.6	23.6
<i>Total technical education</i>	344.0	523.04	867.1	452.2	653.7	1105.9	31.4	25.0	27.5
IITs	75.0	299.76	374.8	110.2	315.4	425.6	46.9	5.2	13.6
RECs	38.0	70.0	108.0	45	75	120.0	18.4	7.1	11.1
IISc	16.0	58.0	74.0	16.0	62.0	78.0	0.0	6.9	5.4

Note: R: Revised estimate; B: Budget estimate.

Source: *Expenditure Budget 1999-2000*, vol II, pp 107-10.

increase in the allocation of resources to education. In the 1999-2000 budget allocation there was a significant increase in the allocation to education – both plan and non-plan, over the preceding year's revised estimates – all by about Rs 1,500 crore, though the revised estimates for 1998-99 are much less than the budgetary outlays for the same year. But the percentage of increase in the plan expenditure is only about half the increase in non-plan expenditure. Compared to the increase between 1997-98 and 1998-99, the increase in 1999-2000 over 1998-99 revised estimates, is rather modest. E.g., the total allocation to education in 1997-98 was Rs 4,983 crore, which increased to Rs 6,733 crore in 1998-99 (Table 3).<sup>12</sup> More importantly, the relative share of plan expenditure on education increased from 5.9 per cent in 1997-98 to 6.4 per cent in 1998-99. The latter figure could increase to 6.6 per cent only in 1999-2000.

The general need for tightening of the budget, perhaps resulted in reduction in plan expenditure on general education, as non-plan expenditure could not be reduced; in fact, the non-plan expenditure on general education was Rs 500 crore higher as per the revised estimates compared to the budget estimates in 1998-99. However, in case of higher education, there has been big shortfall by about Rs 600 in non-plan expenditure. This seems to have been done mainly by deferring the improvement in salary scale of university/college teachers.

On the whole, the revised estimates for 1998-99 are less by Rs 200 crore in plan expenditure on education, and Rs 450 crore in non-plan expenditure, compared

to the budget allocations for the same year. It would be useful to find out the reasons for shortfall in the expenditures, i.e., budget outlays *minus* the revised estimates. Though there has been a shortfall in case of both overall plan and non-plan expenditure on education, and the shortfall is higher in case of non-plan expenditure, it is also important to note that a larger number of plan programmes suffered severely in terms of shortfall in budget expenditures. They include non-formal education, district primary education programme (DPEP), vocational education, adult education and technical education (regional engineering colleges and community polytechnics) (Table 4).

Intra-sectoral allocation of budgetary resources, i.e., by different sectors and by different items within education (Table 3) reveals certain important dimensions of changing priorities of the government. The growth in plan outlays for elementary education is important, but the increase is very modest. Important items of the budget for elementary education include operation blackboard, non-formal education, free education for girls, midday meals

and the DPEP. There is an increase in the total outlay for elementary education to the extent of just Rs 300 crore in the current year, over the preceding year's revised estimates. It is interesting to note that at the same time, there is a decline in the outlay for midday meals by as much as Rs 400 crore.

A substantial part of the increase in the outlay for elementary education – to the extent of Rs 220 crore – in the budget for 1999-2000 compared to the revised estimates for 1998-99, is also accounted by external aid. Among the several externally-aided projects, DPEP is the most important one in terms of the amount of money involved. The contribution of the DPEP amounts to Rs 750 crore in the current year's budget. Other externally-aided projects include Mahila Samakhyas (funded by Dutch government) and Shiksha Karmi and Lok Jumbish (both funded by SIDA). In all, externally-aided projects amounted to Rs 827 crore in 1999-2000 (Table 5). It forms 27 per cent of total central plan outlay for elementary education. The increase in the contributions of the externally-aided projects is by 36 per cent

TABLE 5: EXTERNALLY-AIDED PROJECTS IN THE UNION BUDGET PLAN ALLOCATIONS

(Rs in crore)

	1998-99B	1998-99R	1999-2000B	Percentage Increase over the Revised Estimate
Shiksha Karmi	16.2	16.2	19.3	19.2
Mahila Samakhyas	7.5	5.5	7.5	36.4
Lok Jumbish	37.5	37.5	50.3	34.0
DPEP	664.0	548.3	750.0	36.4
Total	725.2	607.5	827.1	36.1

Note: R: Revised estimate; B: Budget estimate.

Source: *Expenditure Budget 1999-2000*, vol II, p 107.

TABLE 4: SHORTFALL IN THE EXPENDITURE ON SELECTED AREAS OF EDUCATION IN THE UNION BUDGET, 1998-99

(Rs in crore)

	Plan Expenditure			Non-Plan Expenditure			Total (Plan+Non-Plan)		
	1998-99B	1998-99R	Shortfall	1998-99B	1998-99R	Shortfall	1998-99B	1998-99R	Shortfall
Grand total	4244.2	4044.2	4.7	2802.6	2352.6	16.1	7046.8	6396.8	9.2
<i>Elementary education</i>	2778.5	2741.3	1.3	1.5	1.8	16.7	2780.0	2743.1	1.3
Operation blackboard	304.0	304.0	0.0				304.0	304.0	0.0
Non-formal education	309.2	160.0	48.3				309.2	160.0	48.3
Nutritional support	1092.2	1400.2	28.2				1092.2	1400.2	28.2
DPEP	666.0	550.0	17.4				666.0	550.0	17.4
<i>Secondary education</i>	464.5	432.8	6.8	458.4	560.4	22.3	922.9	993.2	7.6
Kendriya vidyalayas	88.0	88.0	0.0	356.0	435.0	22.2	444.0	523.0	17.8
Navodaya vidyalayas	286.0	291.5	1.9	76.2	85.0	11.6	362.2	376.5	4.0
Vocational education	10.0	6.6	33.8				10.0	6.6	33.8
<i>Adult education</i>	94.0	77.1	18.0	3.4	3.2	6.5	97.4	80.2	17.6
<i>University/Higher education</i>	412.8	392.5	4.9	1821.8	1210.0	33.6	2234.5	1602.6	28.3
UGC	323.1	330.4	2.2	847.0	1009.0	19.1	1170.1	1339.4	14.5
<i>Technical education</i>	415.0	344.0	17.1	463.0	523.0	13.0	878.0	867.1	1.2
IITs	75.0	75.0	0.0	235.8	299.8	27.1	310.8	374.8	20.6
RECs	41.0	38.0	7.3	59.6	70.0	17.4	100.6	108.0	7.4
Community polytechnics	68.0	15.9	76.6	1.8	1.8	0.0	69.8	17.7	74.7

Note: Shortfall: Revised estimate minus budget estimate (per cent) R: Revised estimate; B: Budget estimate.

Source: *Expenditure Budget 1999-2000*, vol I, pp 107-10.

between the revised estimates of the last year and the current year's budget estimates. This may be compared to the overall increase in the expenditure on elementary education of only 10.7 per cent. All this may lead many to warn that the growth in public expenditure on elementary education is largely 'borrowed growth'.

In case of secondary education, 85 per cent of the budget outlays are accounted by Kendriya vidyalayas and Navodaya vidyalayas. All other programmes including vocational education, education technology and computers in schools receive petty amounts. The programme of vocational education aims at diverting 25 per cent of the students at +2 level to vocational studies, but currently less than 5 per cent of the students opt for these courses. Many believe that the programme did not take off due to, *inter alia*, scant attention paid, including financial resources allocated, to vocational education. The goals, the programme and the persistent neglect continue.

Generally, and also constitutionally, the union government is expected to take care more of higher education and less of school education. But in the recent years, the union government has been increasingly concentrating on school education, particularly elementary education through a variety of centrally-sponsored schemes. In the current annual budget, 65 per cent of the total plan budget outlay for education is allocated to elementary education and less than 10 per cent for higher education. There is an impressive increase in the budget allocation for higher education, but the substantial part of the increase is in non-plan expenditure, which might have become necessary with the revision of pay scales of university teachers and other staff.

Now let us note priorities given to a few important specific programmes. The mid-day meals programme launched in 1995 is to gradually expand to cover all children in primary classes in all government and local body schools. The number of students benefiting from the programme was estimated to be 9.75 crore. Generally it is felt that the programme is very important in not only improving enrolments of children in schools, but also in improvement of nutritional and health status of children. But the priority seems to be changing. In the budget for 1998-99, Rs 1,092 crore were allocated. The revised estimates are 28.2 per cent higher than the allocation, suggesting the need to further scale up the budgetary allocations. But the provision made in the current year's budget is only Rs 1,031

crore, 5.6 per cent less than the outlay made in the last year's budget, and 26 per cent less than the revised estimates for 1998-99.

The prime minister has promised to provide free education to all girls up to the college level. As a measure of improvement of girls' enrolment in schools and colleges, this is an important step. Accordingly this has been given a priority in the Union Budget. Allocation for girls' education was hiked from Rs 100 crore in 1998-99 to Rs 160 crore in 1999-2000. But this amount is not enough to provide really free education to all girls enrolled in schools and colleges. While the scheme announced by the prime minister is to cover school and college levels, including professional level higher education, in the budget, allocation is made only under elementary education! Further, lest there is any confusion on the concept of 'free' education, the draft Ninth *Five-Year Plan* (vol II, p 130) defines it to be free of tuition fees, inclusion of provision of basic textbooks, maintenance expenditure in hostels and library books. There can be several types of fees other than tuition fees. Many a time it is found that the other fees are much higher than the tuition fees – both at school and college levels. So it is not all that free, though the term 'free' is wider in scope than free primary education, as it provides for maintenance expenditures of the girl students in hostels.

The programme of residential upper primary/secondary schools in rural areas to take care of the special needs of migration population and scattered habitations, which was allocated Rs 24 crore last year, could not take off. As a result, it seems to have been dropped out altogether.

In case of adult education, the rural functional literacy project seems to have been closed, with no allocation at all being made in the current budget. The overall allocation to adult education has, however, been increased by about 40 per cent.

Much of the budget outlay for the national scholarships meant for the poor but meritorious students could not be used. As per the revised estimates, only 46 per cent of Rs 3.26 crore allocated could be utilised in 1998-99. However, in the current budget the allocation has been stepped up to Rs 10.9 crore.

How to raise more public resources for education? Recently the minister for human resource development has announced that an education cess would be levied for raising resources for elementary education. There is no proposal of this kind in the budget. However, in the budget there

is a hike in the price of diesel by Re 1 per litre. It is also promised that half of additional resources generated through hike in diesel price would be allocated to rural development and social sectors, including education. What fraction of the revenue would go to education is yet to be seen. Earlier also the union government has promised that the some of the savings made through public sector disinvestment programme, and the voluntary disclosure of income scheme (VDIS) would be allocated to human development sectors like education and health. One can only hope that a substantial proportion of the revenue now generated would be allocated to education.

#### SUMMARY AND CONCLUSIONS

As far as education is concerned, the Union Budget is an extremely partial one to give any comprehensive picture of public expenditure on education in the country, as sizeable expenditure on education is incurred by the state governments. For example, according to the budget estimates in 1996-97, states met 85 per cent, the union government meeting the remaining 15 per cent of the total government expenditure on education, which is a 'concurrent subject.' In case of plan expenditure however, the share of the union government was above 40 per cent [MHRD 1998]. Nevertheless, the Union Budget does indicate the direction in which the priorities of the union government are being shaped; and it obviously has considerable influence on the development of education in the states. With this in view, a brief attempt is made in this article to examine the education priorities of the union government as reflected in the *Union Budget 1999-2000*, the *Economic Survey 1998-99* and the draft Ninth *Five-Year Plan 1997-2002*.

The union government promises to accord a high priority to education, making it an important component of 'NNDI' and also the prime minister's 'Special Action Plan.' In a situation when the need for strong political commitment to education is being increasingly felt, these proclaimed intentions of the union government are certainly welcome. But these high sentiments expressed in favour of education are not well reflected in the programmes, plans and other initiatives proposed in the Ninth Five-Year Plan, the *Economic Survey*, and also the resource allocations proposed in the *Union Budget 1999-2000*. The only major initiative proposed in the Union Budget is the Education Guarantee Scheme for the poor, which may have major internal contradic-

tions, particularly when it is aimed as a strategy of providing education to the rural poor, scheduled castes, scheduled tribes and other backward classes.

Further, the urgency to check the growth of out of school children is not being felt. The need for making elementary education a fundamental right and the need for allocation of resources for the same is also not clearly recognised. Further delay would only accentuate the problem. Further, it is clear that attempts are being made to interpret universal elementary education to mean only primary education up to fifth standard; and the long promised goal of allocating 6 per cent of GDP to education is being diluted so as to include in it not only government expenditure but also private expenditure including household and other private sector expenditures on education. These do not seem to be good auguries of according a high priority to education.

### Notes

- 1 See Majumdar (1999) for a brief summary of the report.
- 2 See also Rahul (1999) for a critique of EGS in Madhya Pradesh.
- 3 One might fear that this is likely to be treated as non-formal education. Note that emphasis on non-formal education has been increased, with the budgetary allocations being more than doubled from the revised estimate of Rs 160 crore in 1998-99 to Rs 350 crore in 1999-2000.
- 4 One of the important reasons for arguing in favour of the 83rd constitutional amendment of making elementary education a fundamental right, is to see that no scope is left any more to misinterpret the constitutional directive and reduce the duration of the free and compulsory cycle of education to less than eight years.
- 5 E.g., *Statistical Yearbook and World Education Report* (both from Unesco, Paris), *World Tables and World Development Indicator* (both from World Bank, Washington, DC), *Education at a Glance: OECD Indicator* (OECD, Paris), *Human Development Report* (UNDP, New York), even several regional studies (e.g., Haq and Haq 1997, 1998).
- 6 Further, UNDP has estimated several ratios of expenditures such as social allocation ratio, social priority ratio, human expenditure ratio and public expenditure ratio [UNDP 1991] to provide policy guidelines. It is important to note that all these ratios refer only to public expenditures. When UNDP (1992) suggested that the human expenditure ratio has to be raised to at least 5 per cent, it also referred to public expenditures only.
- 7 The International Commission (1996:165) has clearly argued: "Increasing public spending on education, in place of expenditure under other budget heads, should be regarded as a necessity everywhere, and especially in developing countries, since it is a vital

investment for the future. As a rule of thumb, not less than 6 per cent of GNP should be devoted to education."

- 8 Further, since most of the international statistics refer to public expenditure on education as a proportion of GNP (not GDP in general), it would be better we also refer consistently to GNP rather than GDP, though it might not make substantial difference finally in the estimates of per cent of national income devoted to education.
- 9 See Tilak (1990) for details, which formed the basis for an answer to the parliament question on this issue.
- 10 It was a little above 4 per cent at the beginning of the 1990s.
- 11 If we assume that about one-fourth of the total allocation made for the social services is allocated to education, the total (centre plus states) outlay may be about Rs 45,000 crore, of which the centre's share is Rs 20.4 thousand crore; and the states's share would be about Rs 25,000 crore. This seems to be a somewhat most likely estimate of allocation to education in the Ninth Plan. Beyond this, one can say little on allocation of resources to education in the Ninth Plan.
- 12 There are discrepancies between the figures in Tables 2 and 3. This may be due to (a) Table 3 refers to education, sports and youth affairs, while Table 2 refers to education only; and (b) Table 3 may not include expenditure on education incurred by departments other than education.

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