REPORT

OF THE

GROUP OF EXPERTS

ON

THE FINANCIAL RESOURCE REQUIREMENTS FOR OPERATIONALISING THE PROPOSED 83rd CONSTITUTIONAL AMENDMENT BILL MAKING THE RIGHT TO FREE AND COMPULSORY EDUCATION UPTO 14 YEARS OF AGE A FUNDAMENTAL RIGHT

JANUARY, 1999

GOVERNMENT OF INDIA
MINISTRY OF HUMAN RESOURCE DEVELOPMENT
DEPARTMENT OF EDUCATION
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Date: 29-01-1

Dear Prof. Dasgupta,

I have great pleasure in submitting to you the report of the Group of Experts appointed b the Ministry to assess the total financial resources that may be required to be provided by the St for operationalising the Right to Free and Compulsory Education up to the age of 14 years as justiciable Fundamental Right. The Group was fully cognisant of the urgency of the situatio The Constitution (83rd Amendment) Bill for making the Right a listed Fundamental Right undi the Constitution of India was introduced in the Rajya Sabha, after the Supreme Court (in th Unnikrishnan Vs. The State of Andhra Pradesh case of 1993) had declared the Right to Educatio as a Fundamental Right flowing from the existing Fundamental Rights (mainly the Right to Life listed in the Constitution, Article 45 being interpreted as only providing the parameters for it operation. On both counts, the responsibility of the Government of India for conducting thes investigations urgently was obviously increased.

2. Though the Expert Group was appointed by a single Ministry viz. the Ministry of Huma Resource Development, the members did not, very rightly, look upon the responsibility for findin state funds for the achievement of UEE as that of this Ministry alone. Needless to say, th beneficiaries of UEE would be activities in all walks of life including the fields of research i social sciences as well as science and technology. All Central Ministries and governments at all levels of the state in India - Central, State and Local, as defined in the Constitution - have to share this responsibility. The Group, however, had deliberately fallen short of trying to quantify the respective shares that should be borne because particularly the question of Centre-State division (though included in the terms of reference set by the Ministry) was intrinsically dependent on aspects of the division of fiscal powers which were clearly outside the purview of the Group and had to be examined by bodies such as the Finance Commission. The Group nevertheless has tried to make a few helpful recommendations for such appropriate bodies in this connection.

3. Looking at the Fundamental Right to elementary education as a justiciable legal right of all the people, the Group made the basic decision to calculate the cost of real formal schooling and did not accept the position, often urged on it implicitly or even explicitly, that the cost estimate should be reduced by assuming that only the cheaper variants of non formal or part time education needed to be provided for the millions of children who have remained out of school. Needless to add the members did, at the same time, feel fully convinced that the real formal school had to learn a great deal from the experience of the best of the non formal schooling experiments now being carried out successfully in the country.

4. The Group could not also accept the oft-repeated suggestion that profit-seeking private enterprise would be attracted in the foreseeable future, in a substantial way, to the schooling of the vast number of underprivileged children of India who had never been to school. Even though in the existing school sector the participation of private enterprise is about ten per cent and is

increasing, it was difficult to judge how far, if at all, this proportion could be projected also to providing schools for those large numbers of unfortunate children, particularly girl children of poverty-stricken families, that we should be really thinking about.

5. The two central questions that the Group did address squarely were: (a) how much will the progress to UEE cost over the next ten years and (b) where will the finances come from? I am happy to report that though at first sight the total financial commitment seems enormous, when spread over ten to fifteen years and supported by a switch from 3.8 to 6 per cent of the GDP as the share of all government expenditure on education, the end is achievable without any great difficulty.

6 Our exercises, undertaken by three of our economist members, Dr.D. K. Srivastava (of the NIPFP and the Finance Commission), Dr. J.B.G. Tilak and Dr. N.V. Varghese (both of the NIEPA) along with the Member-Secretary Shri Amarjeet Sinha, Director (E.E.) in the Ministry, show that the estimated additional expenditure for achieving UEE (based on the norm, typically, of two classrooms and two teachers per school and reaching gradually to a 1:30 teacher pupil ratio by the 10th year and calculating teachers' salary at the new revised rates) would be Rs.136,822 crore over the next 10 years. This implies that contrary to the prevalent belief even among many experts, no implausible scenario need be assumed to find the financial resource of this magnitude No more would be required than a rate of growth of the GDP that one can reasonably hope for (5 per cent in real terms), along with a modest increase in the tax revenue: GDP ratio (from the present about 16 to about 18 per cent by 2007-08) and, most crucially, a rise in the allocation to education in the total of the Central and State budgetary expenditures from about 3.8 per cent of the GDP now to the long-promised 6 per cent. On average approximately 1% of the GDP additionally would be required to go into elementary education and no diversion is needed from the higher education sector at all. This surely is a far cry from what is frequently conjectured as only a utopian scenario needed for the achievement of UEE!

7 Of course, there is no "free lunch" that economists can provide for the country. The switch to the 6 per cent share of the GDP for education, which had been promised many times over the past thirty years, and is now reiterated by the Prime Minister, cannot be entirely painless for the other sectors. We may need moderate but perceptible downsizing of government expenditure elsewhere to make this possible as long as the tax revenue-to-GDP does not improve. I hope Parliament and the people of India would agree to the necessary shifts which seem still manageably small. If we choose to remain forgetful of our constitutional and legal responsibility for another ten years they will not remain so. The Group recognised that the state's constitutional liability has to be seen against its ability to pay largely out of its revenue resources. This is necessary to emphasize if only because in sufficiently adverse resource situations public expenditure may have to be downsized under other heads, so as to protect the nation's basic constitutional commitment.

8. The Group, however, urges Government constantly to bear in mind the obvious distinction between expenditure purported to be on education, and genuine and non-wasteful social investment in education. Undertaking expenditure on the vast scale indicated in the Report without setting in place a mechanism of continuous monitoring would be extremely unwise. In other words, the Group recognises that finding the money would be only a necessary but not sufficient condition for attaining UEE in human development terms.

9 May I take this opportunity to express the Group's appreciation of the contribution of Dr. R. V. V. Ayyar who preceded me as the Chairman of this Group. Though he left at very short

notice to move on to his next official assignment, the main work of the Group had already started under him and the members had had the benefit of his sound advice. I must also mention Shri Abhimanyu Singh, Joint Secretary in the Ministry who helped us in our discussions in more than one way. It is my pleasant duty to record my own appreciation of the great merit of the contributions of the experts in the Group. Their respective distinctions in the field of educational administration, economics of education, theoretical economics and public finance made this small but intensive study extremely valuable. In working with them, I felt both privileged and benefitted.

10. Finally, I must record the appreciation of the whole Group and myself of the dedicated and expert contribution of our Member Secretary Shri Amarjeet Sinha, both to the working of the Group and the preparation of the Report which I enclose. I am also very grateful to you for your several extremely helpful interactions with the Group. The Group gratefully acknowledges the contribution made by Shri B.S. Nehria, Dr. Roopa R. Joshi, Dr. Jyotsna Jha, Smt. Sibani Swain and Shri D.K. Saxena. Shri Sunil Singh Rawat and Shri Hans Raj assisted in the typing of the Report.

11. I hope that the Government will find this effort of the Group to have been worthwhile. I personally found it to be profoundly so.

With kindest regards,

Yours sincerely,

T. Majumdar

(Tapas Majumdar)

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CHAPTER - I

INTRODUCTION

THE BACKGROUND

1.1 The report of the Committee of State Education Ministers on implications of the proposal to make Elementary Education a Fundamental Right (Saikia Committee, January, 1997) had recommended the setting up of a Group of Experts to assess the financial resource requirements for operationalising the proposed 83rd Amendment Bill making the Right to Free and Compulsory Education up to 14 years a Fundamental Right.

1.2 Accordingly, the Group of experts to examine the financial requirements of the States/UTs was constituted in June, 1997 with the following terms of reference:-

a) to examine the financial requirements of the States/UTs with reference to the status of Universalisation of Elementary Education in the context of proposed follow up legislation on compulsory education by the States/UTs;

b) to identify the existing financial resources of the States/UTs and suggest measures for mobilising additional resources; and

c) to determine suitable sharing arrangement of financial requirements between the Central and State Governments.

1.3 Article 45 of the Constitution of India had specifically enjoined the State to strive to provide free and compulsory education for all citizens up to the age of 14 years within ten years of the commencement of the Constitution. The report of National Commission on Education 1964-66 had suggested at least 6% GNP public investment in education in order to achieve the goal of Universalisation of Elementary Education. The National Policy on Education 1968 accepted this recommendation and it has been reiterated in all subsequent Policy pronouncements made at the highest levels. The National Education Policy 1986 and its Programme of Action, 1992 provided for provision of elementary education of satisfactory quality for all 6-14 age group children by the turn of this century.

1.4 While recommending amendment to the Constitution of India to make the Right to Free and Compulsory Education up to 14 years of age a Fundamental Right, the Committee of State Education Ministers (Saikia Committee) had recommended norms regarding educational facilities which if not provided may become justiciable. It had also attempted a definition of free education. In order to ensure uniformity, the Saikia Committee had suggested that free elementary education should mean exemption from tuition fee; provision of free text books for all primary school children and for girls at upper primary level and provision of essential stationery to all children in primary classes.

1.5 As regards sharing of expenditure on elementary education, the Saikia Committee had recognised that the primary responsibility to promote elementary education should remain with the State Governments and that State Governments should consider measures which will enable local bodies in urban and rural areas to raise revenues for improvement of facilities in schools. It had even recommended considering the proposal to levy an education cess in this regard.

1.6 The starting point for a debate and discussion on the ways and means of financing educational development in India begins with the 1948 B.G. Kher Committee Report on the subject. The Kher Committee had recommended that a fixed percentage of Central and provincial revenues – about 10% of the Central and 20% of the Provincial – should be earmarked for education by the respective Governments. It had even suggested that about 70% of the expenditure on education should be borne by the local bodies and provinces and the remaining 30% by the Centre.

1.7 As regards the teacher pupil ratio, the Kher Committee had made a very perceptible observation – *"in view of the present emergency, the Committee, with great reluctance agrees that only for five years, the teacher pupil ratio may be 1:40 instead of 1:30 though from the educational point of view, this should be restored earlier if possible, but in any case the position must be reviewed at the end of five years"*.

1.8 The report of the Education Commission 1964-66 addressed the issue of educational finance in great detail. It looked at the growth of educational expenditure in India in the post independence period and at the sources of educational finance. It recognised the need for public investments in order to meet the challenge of Universalisation of Elementary Education. While

suggesting a 6% allocation of GNP within 20 years (1985-86), the Education Commission reiterated that the programmes to be emphasised during the decade 1975-85 will include the provision of seven years of effective primary education. Although, most of the responsibility for the support of education was placed on Governmental funds, the Committee also felt that a total centralisation of all financial responsibilities for education on the Government would not be desirable. It, therefore, suggested raising of contributions from local communities, voluntary organisations and the local authorities. The Commission also argued for a larger financial responsibility for education for the Central Government.

1.9 The 1986 Policy further reiterated the need to focus on Universalisation of Elementary Education. The 1992 Programme of Action laid down a strategy for the achievment of Universalisation of Elementary Education with community mobilisation and creation of appropriate educational facilities.

1.10 The judgement of the Hon'ble Supreme Court in J.P. Unni Krishnan Vs. State of Andhra Pradesh, 1993 has already transformed an incremental development goal into an entitlement of all children up to 14 years by pronouncing the Right to Education to be a Fundamental Right derived from the Right to Life itself. As regards determining the extent of the responsibility of the State for upholding the Fundamental Right to Elementary Education, the operative definition of a State would have to be as laid down by Article 12 of the Constitution of India which includes "The Government and Parliament of India, Government and legislature of each of the States and all local or other authorities within the territory of India or under the control of the Government of India".

1.11 The additional financial requirements for UEE were tentatively estimated by the Saikia Committee at Rs. 40,000 crores. This estimate had been worked out on the basis of average yearly expenditure incurred by Government per student. The number of out of school children in the 6-14 age group was taken as 6.3 crores and the per student expenditure was taken as Rs. 948/-. After adding the factor of 20% to the cost for meeting the requirement of improving the quality and the environment of school education to be provided, the Saikia Committee had calculated that additional funds of the order of Rs. 40,000 crores would be required over five years.

1.13 The Expert Group decided that the methodology of making the required calculation needed to be closely examined and, if necessary, refined and revised, as had been advised by the Saikia Committee itself. This has been done by the Group in the following ways.

COUNTING OUT-OF-SCHOOL CHILDREN

1.14 First, there is the basic problem of counting the target population of the children who are currently deprived of their right to elementary education. There are largely varying estimates of the actual number of children up to the age of 14 years who can be counted as children who do not go to school for one reason or another. For example, the Saikia Committee relies on the estimate, made from the available government records, of nearly 6.3 crore of children of ages from six to 14 years who currently do not go to school. The 1991 Census puts the number of children in the 6-14 age group not attending school at 7.54 crores. The Expert Group has, therefore, kept in mind the overall projections of 6-14 age population in order to compute norm based requirements for UEE. This has been done in order to ensure that quality schooling is available to all children, irrespective of the number of out of school children.

COSTING BY ACTIVITY COMPONENTS

1.15 Secondly the Group realized that it was necessary to make the costing exercise transparent, which purpose was not served by using the overall per-student government expenditure on elementary education as an indicator of resource allocation. The Group accepted that costing had to be made by activity components such as investment in basic teaching facilities, infra-structure building, teacher training for quality improvement in classroom and out-of-classroom teaching practices, besides, of course expenditure on teacher salaries. The internal efficiency in resource allocation and time-planning of resource use cannot be improved except through a continuous process of activity audit based on unit costs of activity components. The Group felt that the task of achieving UEE in a cost-efficient manner within an acceptably short time span will not only be tremendously difficult, success in the task would crucially depend on continuous information feed-backs from the concerned citizens and on informed public debate. For this purpose too, transparent activity-wise cost estimates were necessary. While this implies that a continuous process of costing, monitoring and assessment of activities over time would need to be put in place, the present report has attempted to make a beginning in this direction.

COSTING ALTERNATIVE SCENARIOS OF SCHOOLING

1.15 The third area in which the Expert Group wished to take particular interest was that of examining the practicability of assimilating into the mainstream of elementary school education in India the knowledge and experience that is continuously being generated through the experiments in creating alternative modes and environments of elementary schooling in many parts of the country. The main costing exercise undertaken by the Group has, no doubt, been set firmly in the context of the existing schooling system that obtains for the vast majority of the Indian school children. However, the Group realized that much needed to be learnt from the experience acquired in the alternative schooling scenarios. It felt that such experience may prove invaluable in strengthening the efforts that are needed to substantially reduce, if not completely eliminate, the chronic wastage (side by side with the large shortages), of human and material resources caused by the internal managerial and cost inefficiencies, as well as the external inefficiency (i.e., the inability to respond to the needs of the labour market and the economy) of the conventional schooling system.

1.16 The Group was also aware that a relatively small section of our children have the good fortune of availing facilities of elementary education of good quality in select private schools and that this segment, in a few states, may be growing. It may be pointed, for example, that according to the Sixth All India Education Survey, there are already about 41000 lower and upper primary schools operating in the country which are unaided. But this still remains a relatively small segment of society. Moreover, in most cases, even private sector participation in elementary schooling is found to be quite heavily subsidized by the State through, for example, the provision of prime urban land at nominal prices, and by other means, though they continue to be classified as "unaided". The Group, therefore, has not been able to ascertain, or make any allowances for the extent of the private sector's contribution to elementary education in the present cost calculations included in the report.

THE APPROACH OF THE GROUP OF EXPERTS

1.17 This Group started its deliberations by taking stock of where we were, as reflected in national surveys regarding elementary education. It then proceeded to look at our likely scenario in 2001

based on population projections made by the Registrar General of Census. The requirements for UEE were then looked at in the context of existing educational facilities and the additional facilities which would be required in order to expand access to all children and to provide quality elementary education to them. The Group was clearly of the view that the children of the poorest must receive education which is comparable in facilities and quality with the best anywhere in the country. Though adoption of a common school approach, as suggested by the Kothari Commission, may not be feasible even though most desirable, the Group was very conscious that in no way should the facilities extended to the poor be less than what is provided to others. The Group worked on the presumption that those children who are still out of school belong to the poorest households where deprivation is all pervading and social opportunities available are very limited.

1.18 On issues like sharing of financial resources between Central and State Governments and measures for mobilising additional resources, the Group was very conscious of statutory bodies which undertake this function on behalf of the State like the Finance and Planning Commission. It was clearly of the view that in sectors where statutory bodies make the final decision, the Group would restrict itself only to making general suggestions and would not go into specific issues of sharing. The Group was also aware of the differences in educational levels across States and UTs and recognised that this would call for a variety of sharing arrangements with States if the goal of UEE had to be achieved in a given time frame.

STRUCTURE OF THE REPORT

1.19 The Second Chapter of this Report will present an overview on the issue of financing of elementary education and assessments made in some of the studies in this regard. Chapter –3 would work out financial requirements for UEE after defining the requirements and unit costs for each item. The All India Education Survey 1993 has been taken as the basis for ascertaining school facilities. Though efforts have been made to take note of investments in elementary education between 1993 and 1997-98, these would have to be re-visited by State Governments at the time of planning further expansion of their school system. Chapter-4 would look at the whole issue of mobilising additional resources for UEE in the macro context of competing demands for allocation of resources. It would try to establish how the additional requirements, though many times of the present levels of expenditure, when looked at in the overall context of allocation of

resources, assuming a certain rate of economic growth, does not amount to be insurmountable. Chapter-5 would look at issues of resource sharing between Centre and States. The recommendations regarding resource sharing would be broad as the Group felt that this is an area where the Finance Commission has the statutory authority to make alterations. The last Chapter would be the concluding remarks where an effort to understand the democratic context of making elementary education a Fundamental Right will be made. The two annexes will provide extracts from the copy of the order constituting the Group of Experts along with the membership, the State specific requirements of additional resources and relevant statistics that have been referred to in the body of the report.

MEETINGS OF THE GROUP

1.7 The Group worked under the Chairmanship of Dr. R.V.V. Ayyar, the then Additional Secretary, Department of Education, Ministry of Human Resource Development from June, 1997 to October, 1997 after which Professor Tapas Majumdar, Emeritus Professor of Economics, Dr. Zakir Hussain Centre for Educational Studies, Jawaharlal Nehru University, New Delhi was appointed Chairman. Altogether eight meetings of the expert group were held between June 1997 to December 1998, the last one being held on 4th Dec.,98. The Group would like to thank Dr. R.V.V. Ayyar and the Task Force that worked under his guidance till October, 1997. The Group would like to thank everyone who has provided ideas and comments on our work and helped us in working out financial requirements for making elementary education a Fundamental Right.

CHAPTER II

FINANCING ELEMENTARY EDUCATION - AN OVERVIEW

2.1 The issue of financing education has been central to educational development in India. On account of neglect during the colonial period, investment in elementary education has been low and insufficient to meet the needs of education for all. Though a regulatory framework for educational administration had been laid down up to district level during the pre-Independence period, it did not provide for public investment on a large scale in order to meet the peoples aspirations of education. The Government's Resolution on Education Policy 1913, for the first time, required local Governments to extend the application of the principle of free elementary education amongst the poorer and more backward section of the population. The Government of India Act 1919 provided the first major opportunity for Indians to take control of the Education Department and Compulsory Education Acts were passed in many provinces during this phase in order to promote rapid development of mass education. The Nationalist Movement had developed a critique of the colonial educational framework and the Wardha Declaration reflected this view point that encouraged free and compulsory education in the mother tongue and provided for productive forms of manual work. The Gandhian System of education emphasised self reliance (Swavalamban) and integration of physical and mental development (Samavaya).

THE BACKGROUND

2.2 The Constitution of India clearly laid down that the State shall provide free and compulsory education to all children upto 14 years within 10 years of the commencement of the Constitution. In 1948, the B.G. Kher Committee on the ways and means of financing educational development in India had recommended that the State must undertake the responsibility of providing, at least junior basic education for everybody without, however, detriment to existing facilities for secondary and higher education. It had also recommended that the provinces should aim at introducing universal compulsory education for children in the 6 to 11 age group within a period of 10 years. But, if financial conditions compel, the programme may be extended over a longer period but in no circumstances should it be given up.

2.4 The need for compulsory education and the limitation of finances to meet the need for adequate educational facilities, get reflected in the debates of the Central Advisory Board of Education. In 1964, the then Education Minister, Shri M.C. Chagla in his address to the Central Advisory Board of Education commented *"Our Constitution fathers did not intend when they enacted Article 45 that we just set-up novels, put students there, give untrained teacher, give them bad textbooks, no playground and say we have complied Article 45 and primary education is expanding. The compliance intended by our Constitutional fathers, was a substantial compliance. They meant that real education should be given to our children between the ages of 6 to 14".*

2.5 On the issue of source of educational finance, the report of the Education Commission made the following points :-

(a) Public expenditure on education has to be increased to 6% of GNP by 1986.

(b) Although most of the responsibilities for the support of education will be placed on Governmental funds, a total centralisation of all financial responsibilities for education in the Government will not be desirable. Attempts should, therefore, be made to raise contribution from local communities, voluntary organisations and the local authorities for this purpose.

(c) The assistance of the local community should be mobilised through the organisation of School Improvement Conference for improving the physical facilities in schools and the creation of school funds

(d) In order to provide financial support to District School Board, the Zila Parishad should raise funds for education by levying cess on land revenue.

2.6 The Education Commission also commented on the role of the Centre. It was suggested that the Central Government should assume a larger financial responsibility for education by expanding central and centrally sponsored sectors. It recommended that these should have the following characteristics :-

(a) It should include programme of crucial importance and national in character

(b) In the centrally sponsored sector, it should be possible for some programmes to vary from State to State according to their needs

(c) Central assistance for programmes in the centrally sponsored sectors should be given for 5 years which may in certain cases be continued upto 10 years and not for plan period only as at present

2.5 An analysis of the expenditure on education shows that the share of central spending to the overall expenditure on education is less than 10%. 90% of the expenditure comes from States. While Central Government support for education is small related to that of the State which covers the bulk of the recurring cost under non-plan head. Centre provides substantial plan funding for outlay and is often the only source of support for new programmes. Plan funding from Centre has increased after adoption of National Policy on Education 1986 which gave a meaningful dimension to the concurrency of education enshrined in the Constitution through its 42nd Amendment. Even at constant prices, public expenditure on education increased at an annual rate of 8.3% till the 1980's. While the central expenditure has maintained an increasing trend, recent studies (S.P. Gupta; K.Seeta Prabhu) indicates that the expenditure of States in priority social sectors is not continuing at the earlier accelerated rate. This is largely on account of the unsatisfactory ways and means position in most States/UTs

2.7 Analysis of the data also indicates that nearly 50% of the overall expenditure of Central and State Governments has been in the elementary education sector. In the recent years, the share of elementary education in the central plan expenditure has increased. An analysis of the sector-wise expenditure on education, both Centre and State during the First and Eighth five year plans indicate that the expenditure on elementary education in the first five year plan was 59% of the total expenditure on education. This percentage share is 48% in the Eighth five year plan. However, the increase in expenditure on elementary education alone has been more than the increase in the expenditure on education as a whole. During the last three five year plans, i.e. Sixth, Seventh and Eighth five year Plans, total expenditure on education increased 7 times whereas expenditure on elementary education alone increased 10 times. But the relative share of total education sector has been decreasing over this time

2.8 The budgetary expenditure in [illegible] indicate that there is a wide variation in the allocation as a percentage [illegible] Product. The national average of expenditure on education as a percentage [illegible] is around 4%, though these indications could be deceptive, specially in slow growing [illegible] Bihar. On account of poor increase in SDP over the years in states such as Bihar, the relative percentage may appear to be high for education. As a percentage of total budgetary expenditure, there are substantial variations amongst State ranging between [illegible] percent of the revenue expenditure. There are also substantial variations amongst States in terms of per capita expenditure on education. The range of per capita expenditure is between Rs.179 in Bihar to Rs.421 in Kerala (1995-96). These figures confirm that the resource poor States are spending much less on elementary education than the national average. As 90% of the expenditure is currently met from State funds, there are limitations on availability of financial resources for universalisation. It indicates the need for a larger presence of the Central Government in resource sharing specially in poorer States which are not able to generate sufficient resources to meet the challenges of universalising elementary education.

Some Recent Studies

2.9 Some recent studies have made assessment of resource requirement for universalising primary education (Class I – V). It would be meaningful to look at some of them. In 1997, the World Bank made an assessment of financial requirement for universalising primary education. While projecting the financial resource requirement, the World Bank study made estimation for three scenarios :-

a) Maintaining the existing system for the estimated number of children ages 6 to 10 years now in schools.

b) existing system to accommodate the children ages 6 to 10 years not now in schools; and

c) Improving the quality of schooling offered to all students.

2.10. Based on these three scenarios, the study came to the following conclusion for primary education :-

(a) The cost of maintaining the system would rise from Rs.8000 crores in 1996 to more than 12000 crores in 2007.

(b) The cost of expansion at constant 1993 prices starting with Rs. 1498 crores in 1986 would rise to 6389 crores in 2007.

(c) The cost of improving quality would rise from 976 crores in 1986 to 1154 crores in 2007. By these methods at 1993 prices, resource requirements by 2007 was expected to become Rs. 19665 crores.

2.11 These conclusions were approximation and did not use the 6th All India Educational Survey figures regarding educational facilities. The assessment also indicates that additional financial resources would be required most in States like, Andhra Pradesh, Bihar, Madhya Pradesh, Rajasthan, Uttar Pradesh and West Bengal. The World Bank study did not present the State-wise requirement of resources to achieve universalisation of elementary education by 2000.

2.12 V.K. Ramchandran et al 1997 have estimated the investment required for universalisation of elementary education in 17 major States and for all India. They have used attendance rate to estimate the number of children in the age cohort 6 to 11 who are attending schools and who are not attending schools. Unit capital cost and recurrent cost of the schools with 150 children were estimated to be Rs.2500 (capital cost) and Rs. 1593 (recurrent cost) respectively in West Bengal. Ramachandran et al have applied the same methodology used for West Bengal to calculate investment requirement for 17 major States and for all India. Their study shows that the investment requirement is several times more than the current level in certain States. More than three times the current level of expenditure is in the States like, Andhra Pradesh (3.5%), Bihar(3.1%), J&K(4.5%), Uttar Pradesh (3.63%) and West Bengal (4.03%). More than 6% of the SDP is required to achieve the objectives of UEE in States like, Bihar (8.4%), Orissa(8.61%), J&K(6.7%) and Uttar Pradesh (6.5%).

2.13 Based on the projections of population of the age-group 6-14, and based on expenditure per student in the 1980s, Tilak (1994) fitted a cost function to estimate the total requirement of financial resources for education for the period 1999-2000 AD. To universalise elementary education by the turn of the century, it was estimated that the resources have to be increased by three times in real terms between 1992-93 and 2000 AD -- from Rs.4.5 thousand crores to Rs.14.1 thousand crores in 1980-81 prices.

2.14 The Saikia Committee made an assessment of financial requirement on the basis of per pupil cost being currently incurred and estimated number of out of school children in 6 to 14 age group. The estimates were based on per pupil cost of Rs.948. Number of out of school children was estimated at 30 million in the 6 to 10 age group and 33 million in the 11 to 14 age group. After adding the factor of 20% of the cost for meeting the requirement of improving the quality of the environment of the school education to be provided and also allowing for the anticipated rate of increase in the price index, the Saikia Committee had concluded that additional funds of the order of Rs.40000 crores would be required over five years.

2.15 All these studies have made use of various methods to arrive at estimates for making elementary education universal. While learning from these studies, the Group of Experts decided to cost every activity required for universalising elementary education and tried to provide for all children in the 6 to 14 age group. These activities are as per certain norms that was agreed to by the Group as the minimum facilities that needed to be provided for each elementary school.

INTERNATIONAL COMPARISONS

2.16 International comparison of public expenditure on education in developing countries indicate that the 3.5% of GNP being currently spent in India on Education compares well with a few developing countries but is much less than what many advanced countries and on an average, developing countries are investing in human resource development. Countries like, Malaysia, Thailand and Republic of Korea spend more than us on education, though the expenditure as a percentage of GDP in People's Republic of China, Indonesia and Sri Lanka is lower than ours. This may even be on account of categorisation of social development spending, especially with regard to the infrastructure. Some efforts at assessing private expenditure on education has been made internationally, but there is still insufficient information on the size of the private sector. International comparison on salary of teachers indicate that the teacher's salary as a multiple of per capita GDP is higher in India than in China, Indonesia and Sri Lanka. While comparing with China, we have to also keep in mind the higher cost sharing by local Governments in that country. People's Republic of China has allowed local governments to raise additional resource for education through various means of taxation. Tax on each farmer, government employees, sale value of private business, construction etc. is utilised for financing education by local governments.

2.17 Though the 1980's and 1990's has brought considerable questioning of the role of State in all sectors of economic and social activities, there are strong arguments of continued State dominance in the education sector. Globally, States have to continue to spend more on education. There is also a need to learn from the experiences of other countries in the quest of universalisation of elementary education. The private sector's role globally in the elementary education sector continues to be negligible.

2.18 The Human Development Report for South Asia and the State of the World's Children Report 1994 (UNICEF) have focused on the need to universalise primary education. They have also stressed that the financial requirements in order to do so are very much within the fiscal capacities of developing countries. A norm of US $ 30 per child per annum has been suggested for developing countries for universalising primary education. It is higher than what we currently spend per capita.

2.19 The Group was unanimous that the State would continue to play a pivotal role in universalising elementary education. While economic reforms implies less government in certain sectors, it also implies greater state participation in the process of social development. The responsibility of additional financial requirements for UEE is therefore, to be faced by the state. In fact, given the high rates of return on investments in the elementary education sector, higher allocations for elementary education is not really a responsibility; it is much more an imperative for sustained economic growth and human well – being.

2.20 Examples of educational reforms in Zimbabwe that focussed on full utilisation of all resources and provision of need based requirements for schooling in a time bound way, and that of the BRAC experiment in Bangla Desh whereby low cost alternatives have been used for the expansion of Primary education, are often made in the Indian context. Much as there is a lot to learn from these international examples, the Indian context would require a more context specific approach that allows for diversities across this country. The Group felt that for sustainable quality based educational development, there would be a need to invest as low cost alternatives often flounder in the absence of adequate resource support over a longer period of time. Examples of People's Republic of China and Vietnam are also relevant as they indicate how effective prioritization helps in achievement of goals. Examples from within the country, like Kerala, Tamil

Nadu and Himachal Pradesh have much more to offer by way of replicability of efforts in other educationally backward regions.

FINANCIAL REQUIREMENTS FOR UNIVERSALISATION OF ELEMENTARY EDUCATION

APPROACH FOLLOWED BY THE GROUP

3.1 The Group decided to follow a norm based approach that provided for all children as per the minimum requirements that every school and child ought to have. While making the broad assumptions, the findings of the All India Educational Survey 1993, the National Family Health Survey, 1992-93 and the National Sample Survey, 1993-94 have all been taken into account in order to ascertain the present level of educational facilities and attendance rates of children.

3.2 As per the projections made by the Registrar General of India Census, there would be nearly 118.25 million children in the 6-11 age group and 74.47 million children in the 11-14 age group in the year 2001. The elementary education system would have to cater to these 200 million children plus under-age and over-age children who join class I to Class-VIII. It is presumed that the percentage of under-age and over-age children will come down as we move towards universalisation. The assessment of the facilities required for the 200 million children has been made on the basis of minimum facilities required to provide quality education for all. The following tables present state wise summary of the state of primary and upper primary education as per the 1993 All India Educational Survey and the total projected requirements to meet the needs of all and the additional requirements of the system. These Tables are based on figures as reported in the 1993 All India Educational Survey. Addition to infrastructure has taken place between 1993 and 1997 and it will be reflected in the final set of calculations.

TABLE -

STATUS OF PRIMARY EDUCATION 199

S.No	State	No. of 6-11 children (Male)	No. of 6-11 children attending school (Male)	No. of primary schools (199	No. of classrooms	No. of teachers
1	Andhra Pradesh	88.2	58.9	4919	10413	10689
2	Arunachal Pradesh	1.2	0.8	116	774	259
3	Assam	34.1	23.9	2852	522	6995
4	Bihar	135.6	69.8	5267	9502	11113
5	Goa	1.2	0.8	102	29	290
6	Gujarat	53.9	43.7	1358	2822	3135
7	Haryana	28.5	19.1	514	1993	1725
8	Himachal Pradesh	6.7	5.5	772	2678	2313
9	J &	11.3	8.0	985	2019	1725
10	Karnataka	60.9	42.9	2212	4410	4485
11	Kerala	29.9	28.4	870	4926	5089
12	Madhya Pradesh	93.3	57.9	7273	20937	17980
13	Maharashtra	113.5	93.2	4125	12200	13425
14	Manipur	2.3	2.1	987	1123	1004
15	Meghalaya	2.6	2.0	4093	819	8510
16	Mizoram	0.9	0.85	976	443	384
17	Nagaland	1.7	1.60	1305	602	6363
18	Orissa	42.63	29.70	37238	9947	90197
19	Punjab	25.16	20.32	13085	4764	45415
20	Rajasthan	67.14	39.47	33274	12530	89529
21	Sikkim	0.61	0.41	533	207	2717
22	Tamil Nadu	63.07	51.98	30329	10198	116267
23	Tripura	4.09	3.22	2029	791	9091
24	Uttar Pradesh	205.93	125.39	86423	28384	300113
25	West Bengal	96.41	65.28	44884	13498	160497
26	A & N Islands	0.39	0.28	187	82	752
27	Chandigarh	0.74	0.49	43	41	402
28	D & N Haveli	0.19	0.12	128	23	197
29	Daman & Diu	0.12	0.08	48	16	295
30	Delhi	11.07	10.10	1983	2582	21943
31	Lakshadweep	0.09	0.06	19	117	259
32	Pondicherry	0.91	0.61	337	1788	1793
	All India	1186.34	804.97	575135	1625791	1660942

Source - (1) Sixth All India Educational Survey 199
(2) National Family Health Survey 1992-9

TABL

TOTAL REQUIREMENT FOR UNIVERSALISING PRIMARY EDUCATION 20

S.No	State	Projected 6-11 population (2001 (lakh	No. of required prima school	No. o require room	No. o require teache
1	Andhra Prades	8.1	50353.0	28375	28373
2	Arunachal Pradesh	1.5	319	726	726
3	Assam	34.75	3479	121711	121712
4	Bihar	131.4	6600	45158	45158
5	Goa	1.4	112	5062	5062
6	Gujara	53.1	1459	17812	178123
7	Haryana	25.7	557	8642	86423
8	Himachal Pradesh	7.6	2192	4043	40433
9	J &	13.5	1201	4022	4022
10	Karnataka	57.8	3016	20059	200590
11	Kerala	28.5	825	9995	99954
12	Madhya Pradesh	99.9	9139	35166	35166
13	Maharashtra	106.4	5272	38938	38938
14	Manipur	2.9	343	1037	10370
15	Meghalaya	3.3	807	1263	12633
16	Mizoram	1.1	105	380	3809
17	Nagaland	2.1	1485.0	7393	7393
18	Orissa	41.2	50098.0	150325	150325
19	Punjab	26.9	1465	106125	106125
20	Rajasthan	70.73	4953	252025	252025
21	Sikkim	0.7	891	2725	2725
22	Tamil Nadu	58.03	30952	194058	194058
23	Tripura	5.10	3697	18668	18668
24	Uttar Pradesh	213.90	12913	75570	755704
25	West Bengal	92.45	60311	320141	320141
26	A & N Islands	0.47	457	1838	1838
27	Chandigarh	0.89	43	2971	2971
28	D & N Haveli	0.23	213	854	854
29	Daman & Diu	0.13	4	503	503
30	Delhi	14.55	199	4857	48570
31	Lakshadweep	0.05	26	267	267
32	Pondicherry	1.13	369	3795	3795
	All India	1162.50	75165	4118523	4118523

TABLE -

ADDITIONAL REQUIREMENT FOR PRIMARY EDUCATIO

S.No.	State	Additional teacher require	Teachers added during 1993-9	Additional primary schools required	Primary schools added during 1993-9
1	Andhra Pradesh	17685	9	718	0
2	Arunachal Pradesh	467	50	203	9
3	Assam	5173	1108	587	1318
4	Bihar	34045	1057	1438	973
5	Goa	205	0	9	1
6	Gujarat	14679	587	1093	575
7	Haryana	6922	61	52	503
8	Himachal Pradesh	1630	3	1417	0
9	J & K	3097	486	290	1329
10	Karnataka	15576	2333	803	42
11	Kerala	4925	1747	155	24
12	Madhya Pradesh	17183	3455	1866	4596
13	Maharashtra	22210	2381	1143	0
14	Manipur	2	0	41	0
15	Meghalaya	402	155	158	135
16	Mizoram	0	855	75	285
17	Nagaland	1025	410	160	109
18	Orissa	15928	20843	12859	4865
19	Punjab	6071	0	1573	0
20	Rajasthan	16249	5770	1628	530
21	Sikkim	6	700	359	0
22	Tamil Nadu	7776	0	623	290
23	Tripura	9537	1079	1660	19
24	Uttar Pradesh	455591	1	42704	4667
25	West Bengal	15964	1313	11975	2180
26	A & N Islands	1084	80	270	1
27	Chandigarh	2555	0	6	1
28	D & N Haveli	657	2	81	16
29	Daman & Diu	201	6	3	6
30	Delhi	28627	636	37	222
31	Lakshadweep	6	23	1	0
32	Pondicherry	2002	354	28	13
	All India	2428036	184055	175730	24165

TABLE - -

STATUS OF UPPER PRIMARY EDUCATION 19

S.No	State	No. of 11-14 children (lakh)	No. of 11-1- children attending school (lak	No. c upper primar school	No. c classrooms	No. c teacher
1	Andhra Prades	47.9	30.2	641	39681	8752
2	Arunachal Prades	0.8	0.4	2	208	193
3	Assa	17.2	12.1	713	3408	4935
4	Bih	65.7	38.7	1375	7401	9988
5	Go	0.8	0.6	11	73	88
6	Gujara	30.1	22.6	1815	12977	13557
7	Haryan	13.2	10.7	140	1440	12803
8	Himachal Prades	4.0	3.6	110	467	9311
9	J &	5.7	4.9	264	1607	16976
10	Karnatak	34.1	24.0	1829	11073	102958
11	Kera	19.3	18.2	2877	5259	53488
12	Madhya Prades	48.0	29.9	1623	8501	8902
13	Maharasht	62.2	50.7	1690	13342	153787
14	Mani	1.3	1.2	70	595	719
15	Meghalay	1.4	1.0	81	403	3899
16	Mizoram	0.5	0.5	61	347	3983
17	Nagalan	1.0	0.9	307	354	3245
18	Oriss	22.62	15.74	10420	4380	41124
19	Punja	14.57	11.77	1455	980	8649
20	Rajasthan	34.68	20.39	10122	8812	79091
21	Sikkim	0.38	0.2	113	116	1525
22	Tamil Nadu	37.10	30.5	5593	5012	62160
23	Tripura	2.13	1.6	43	294	5330
24	Uttar Prades	104.13	68.8	19143	10493	100733
25	West Benga	51.2	34.7	2978	2571	19009
26	A & N Islano	0.22	0.1	44	52	722
27	Chandigarh	0.43	0.3	25	41	423
28	D & N Have	0.09	0.0	43	38	417
29	Daman & Di	0.03	0.0	19	19	144
30	Delh	6.2	5.4	505	779	7569
31	Laksnadweep	0.04	0.02	4	22	176
32	Pondicherry	0.58	0.37	120	151	1670
	All India	628.42	431.4	16090	105497	1105813

TABLE -

TOTAL REQUIREMENT FOR UPPER PRIMARY 20

S.No	State	No. of 11-14 children in 2001(lakh	No. of required upper primary school	No. of require teacher	No. of require room
1	Andhra Pradesh	59.10	29102.00	16700	225193
2	Arunachal Pradesh	0.72	1590	240	3990
3	Assam	21.87	1735	7160	89010
4	Bihar	84.32	33031	29108	314090
5	Goa	1.02	58	340	3932
6	Gujarat	33.62	730	11200	112800
7	Haryana	15.02	2830	5000	52900
8	Himachal Pradesh	5.15	10956	1710	29132
9	J & K	8.75	6010	2250	28510
10	Karnataka	37.23	15080	12420	139847
11	Kerala	18.02	4120	6020	64320
12	Madhya Pradesh	60.93	45691	20320	248897
13	Maharashtra	55.33	26830	21170	238032
14	Manipur	1.62	1710	550	7210
15	Meghalaya	1.52	2830	530	6200
16	Mizoram	0.71	530	270	3230
17	Nagaland	1.10	733.00	360	4400
18	Orissa	26.94	25049.00	89800	114849
19	Punjab	15.30	7326	51000	58326
20	Rajasthan	43.42	24765	144730	169498
21	Sikkim	0.44	446	1467	1913
22	Tamil Nadu	36.07	15476	126900	142376
23	Tripura	2.50	1849	8330	10182
24	Uttar Pradesh	136.73	64555	455760	520332
25	West Bengal	59.60	30408	198667	229075
26	A & N Islands	0.27	229	900	1129
27	Chandigarh	0.51	24	1700	1724
28	D & N Haveli	0.11	107	367	475
29	Daman & Diu	0.10	24	333	357
30	Delhi	7.83	1000	26167	27167
31	Laksnadweep	0.05	10	167	177
32	Pondicherry	0.73	183	2433	2616
	All India	**744.76**	**375829**	**2482670**	**2858499**

TABLE -

ADDITIONAL REQUIREMENT FOR UPPER PRIMARY EDUCATION

S.No	State	Additional teacher require	Teachers added during 1993-9	Additional upper prima schools require	Upper primar schools added during 1993-9
1	Andhra Pradesh	15947	1276	2177	131
2	Arunachal Pradesh	49	46	13	1
3	Assam	2531	195	21	9
4	Bihar	18119	97	1928	6
5	Goa	254	0	44	0
6	Gujarat	0.0	676		112
7	Haryana	3729	121	134	14
8	Himachal Pradesh	1085	0	98	0
9	J &	353	439	340	45
10	Karnataka	2129	1682		22
11	Kerala	671	0	120	7
12	Madhya Pradesh	11517	995	2946	30
13	Maharashtra	5791	2320	845	30
14	Manipur	0	0	10	0
15	Meghalaya	148	35	202	3
16	Mizoram		47		9
17	Nagaland	42	1507	42	10
18	Orissa	48670	0	1462	1676
19	Punjab	4235	257	587	1090
20	Rajasthan	65642	1255	1464	2520
21	Sikkim	0	172	32	0
22	Tamil Nadu	64740	2294	9883	0
23	Tripura	3093	259	1415	0
24	Uttar Pradesh	355034	0	4542	772
25	West Bengal	17965	2219	2741	160
26	A & N Islands	17	0	18	1
27	Chandigarh	127	0	5	4
28	D & N Haveli	0	0	6	5
29	Daman & Diu	18	0	5	1
30	Delhi	1859	0	495	54
31	Lakshadweep	0	0	0	0
32	Pondicherry	76	110	63	0
	All India	1403754	101032	220678	16191

(v) There is no trade-off between quantitative expansion and quality improvement. Universal enrolment and retention cannot be ensured unless conditions are provided for imparting education of satisfactory quality. The financial estimation therefore entails laying down of minimum norms for quality improvement, teacher training, professional support to teachers management and administration and costing based on such norms.

(vi) Over 95% of the current revenue expenditure on elementary education relates to teacher salaries only. There is little expenditure on other measures needed for universalisation such as demand generation, quality improvement and compensating the poorer families/wards the cost of education. Therefore, the current level of average budgeted expenditure on elementary education often used for estimation of the requirements for UEE is a gross underestimate. Resource estimation should therefore necessarily be more desegregated and should be based on the costs of different elements of the strategies for universalisation of elementary education.

(vii) To reiterate once again, strategies for universalisation have to be contextual and decentralised and go far beyond the conventional supply oriented strategies hitherto adopted in general. The objective should be to ensure that every child of 6-14 years participates in schooling of satisfactory quality. However, there are already many children of age group 6-14 years out of school; further it would be quite some time before school effectiveness is improved and every school has the reach, grasp and quality to ensure participation of all children that ought to be in school. Consequently, in the interim, alternative schooling may be an essential strategy. In financial estimation one should take note of the requirements of such alternative schooling. Unit costs for quality alternative schooling would almost be at par with formal schooling, though the items of expenditure may vary.

(viii) Given that education is a concurrent subject, financing of UEE is a joint responsibility of the Centre and States. There is wide variance among States in regard to financing of elementary education. Financing is not related to fiscal capacity. There have been instances of some States with higher per capita SDP,

spending lower on education in terms of parameters such as percentage of expenditure to SDP and percentage of expenditure on education to total budget. Therefore any formula for devolution of financial resources from the Centre to States should also be linked with the fiscal capacity of the States and performance of States in relation to financing of elementary education. It would also be necessary that such formula is related to other performance indicators which promote efficiency and effectiveness of expenditure.

(ix) UEE necessitates local area planning and management. The spirit of the 73rd and 74th Constitutional Amendments mandates that elementary education devolves on the local bodies along with the commensurate resources. Therefore, any formula for devolution of resources from the Centre to States should be conditional on satisfactory devolution of powers and functions and resources in keeping with the spirit of 73rd and 74th Constitutional Amendments.

(x) No national estimation can fully appreciate the local contexts as there is great diversity within the country. Given the federal framework, the states would have to develop their own strategies and earmark resources as per region specific norms.

(xi) Internal efficiency cannot be monetised but it is expected that a greater attention to the elementary education system and greater community participation in the affairs of the school is likely to increase the capacity of existing schools. Greater community participation is also likely to contribute towards improved utilisation of resources. These will have implications for the additionality of financial resources required. The assessments made by this Committee, should therefore, not be taken as final and perfect. The state governments would need to work them out in their local context.

(xii) As regards para teachers, the expert group felt that in very remote and backward regions, para teachers may play a useful role in the short run, in promoting higher school attendance. However, in the long run, there is no substitute to fully qualified and properly paid teachers. While all efforts to streamline selection procedure for school teachers should be made to encourage local persons willing to serve in remote rural locations get selected, there should be no compromise with the rigours of selection.

(xiii) The Group was aware of some important initiatives made under the Lok Jumbish Project, the Bihar Education Project, the Mahila Samakhya Project, the work of MV Foundation, Eklavya, Pratham Initiative in Mumbai, the District Primary Education Project, and a large number of other initiatives across the country. While endorsing wider practice of successful initiatives as per local contexts, the Group felt that all such endeavour required adequate financing in order to sustain, even though their dependence on community support is significant.

3.4 States vary considerably in the levels of enrolment and retention. The age-specific net enrolment ratio (i.e. proportion of children of the age Group 6-14 who are in school) varies from 51.3% (Bihar) to 94.8% (Kerala) (National Family Health Survey 1992 - 93). The resource estimation is dependent on the time frame within which universal participation can be achieved. In making the estimates two alternative time-frames are adopted:

(i) Universal participation by 2002-3 in states where the Net Enrolment Ratio is greater than 80 percent. (Delhi, Haryana, Himachal Pradesh, Punjab, J & K, Manipur, Mizoram, Nagaland, Goa, Maharashtra, Kerala, and Tamil Nadu.

(ii) Universal participation by the end of 2007-8 in states with NER less than 80 percent

3.5 Any procedure for estimating the financial requirements for UEE is critically dependent on the availability of the following data:

i) Population of children in the age group 6-14 years

ii) Number of children in the age group 6-14 years who are enrolled in elementary classes (i.e. classes V-VIII)

iii) Estimated addition to the population of children in the age group 6-14 years who should be enrolled during the next five years.

3.6 Data on the relevant age-group population are available from the Registrar-General of India (Census). The Group's projections of the population of children in the age groups 6-11 years and 6-14 years (based on the 1991 Census) have been made the basis for calculations.

3.7 As a starting point, a review of studies on out of school children was undertaken.

3.8 A study by Mr. Arun Mehta (1996) based on projections of students' enrolment and flows indicated that 6.4 crore children were expected to be out of school by 2001. It also made a projection state wise regarding likely time frame for the achievement of universalisation. The National Sample Survey organisation made an estimate of number of children currently not enrolled. For 1986-87, the figures were 48.2 million in 6-11 age group and 25 million in 12-14 age group. The NSS 50th Round Survey in 1993-94 found the school attendance rates among boys was 70% in the rural areas and 85% in the urban areas. It was 55% and 80% among girls in rural and urban areas respectively. In the NSS 50th Round Survey, it was also found that only 2-4% children had never attended school. Out of every 100 girls who were ever enrolled in schools, 42 in rural India and 18 in Urban India discontinued studies before completing the Class/level, they attended last. The corresponding number of boys were 27 and 14 respectively. The 1991 Census estimated the number of children not attending schools between 6-14 years at 7.55 crores. The National Family Health Survey, 1993 gave figures for net enrolment of 6-14 year old children. In the 6-14 age group, the percentage of de facto household population age 6-14 years attending school was 82.4 in urban areas and 62.6 in rural areas. The national average for school attendance as per NFHS was 67.5%. The attendance rates for boys was 75.5% whereas for girls, it was only 58.9%. Based on the attendance rates, as indicated by the NFHS, 1992-93, NSS 50th Round 1993-94 and taking the population projections for 2001 made by the Registrar General of India Census, nearly 60-70 million children would be out of school. For projection of norm based facilities, the total number of projected population of children as also out of school children and their numbers have been taken into account.

3.9 Data on enrolment of children in the age-group 6-14 years as collected during the Sixth All India Educational Survey (reference date 30 September 1993) are available. The other data source on gross enrolment in Classes I - VIII is that reported by the States and published by MHRD. These data include children who are less than 6 years old and those who are more than 14 years old. The normal practice is to deduct a certain percentage of estimated under-aged and over-aged children from the gross enrolment figures to arrive at the enrolment of 6-14 year olds in classes I-VIII.

3.10 The National Family Health Survey (1992-93) provides estimates of the proportion of children in the age group 6-14 who are out of school. It is proposed to use these data and the

population projections made by the Registrar-General of India (Census) mentioned above, to work out the estimates of the number of children who are out of school at present and the additional population in the age group 6-14 that needs to be enrolled during the next ten years.

3.11 Suffice to say that given the infirmity of the data, any estimation is bound to be approximate only. Further, the pace of universalisation is dependent on the strategies which have necessarily to be contextual and diverse, each with different cost requirements. Strategies would have to be revised based on experience of their effectiveness. In the light of all of the above, resource estimation cannot be a one-time exercise and it would require to be situated in State and region specific contexts. The diversity that is India rules out possibilities of a one time centralised assessment that could be valid for all times.

3.12 The Group has worked out the financial requirements for universalisation on the basis of the following norms :-

i) Provision of teachers in the ratio of 1:30 at primary and upper primary level, a provision of at least two teachers in every primary school, and a minimum of three teachers and a Head Master in every Upper Primary School.

ii) Provision of a upper primary school for every two primary schools. This would entail establishment of more than 2.21 lakh new upper primary schools.

iii) Provision of a primary school within one kilometer of every habitation. This would entail the establishment of nearly 1.34 lakh new primary schools.

iv) Provision of a classroom for every teacher and a separate Headmaster's room in upper primary school.

v) Provision of school equipments to all proposed new primary school and upper primary school as per the Operation Blackboard's norm of Rs. 10,000 per primary school and Rs.50,000 per upper primary school.

vi) Provision for school uniforms and scholarships to children below the poverty line. Provision has been made for 50% of all the enrolled children in the 6-14 age group.

vii) Provision of cooked meals/foodgrains for 50% of the enrolled children has been made though the final figure should be based on actual requirement and likelihood of success of the scheme.

viii) Provision of free text books and stationery has been made for all the children at primary and upper primary level as per norms given by the NCERT.

ix) Establishment of new DIETs, Block Resource Centres and Cluster resource centers have been made in uncovered regions.

x) Provision for maintenance of school buildings and other school infrastructure and replacement of school equipments at primary and upper primary stage have also been made on a regular basis.

xi) For disabled children, an assessment of 4% of the total children has been made and provisions made as per current norms in schemes for disabled persons. 4 % incidence of disability has been taken on the basis of some current assessments in this regard.

xii) Provision for teacher training, community monitoring of elementary education projects and classroom observation by resource persons has also been made.

xiii) The 1993 All India Educational Surveys provides basis for assessing educational facilities that were available to schools in 1993. Between 1993 and 1997-98, investments have been made by Central and State governments. In recruiting teachers, providing school facilities and in increasing budgetary allocations for elementary education, these investments would have to be taken into account.

xiv) Currently, there are expenditures on education which are incurred by other departments notably Ministry of Empowerment and Social Justice for Scheduled Castes, Scheduled Tribes and other backward class children. These include provision of scholarships and even residential schools in tribal areas. On an average, investments from other departments are about 10-15% of the total investments made by the Department of Education. The Ministry of Rural Areas and Employment provides resources for the construction of Primary school buildings. The projection of the additional requirement of funds is the total requirement for UEE and not of the Department of Education alone.

xv) No allowance has been made for private schools, as sufficient information regarding their presence is still not available. Compared to the large size of out of school children and their requirements, the presence of the private sector is a very small component and could not in any manner dilute the responsibility of the State to provide for free and compulsory education for all.

xvi) While assessing teachers' salaries, attempts have been made to provide for higher salaires in the light of State specific pay recommendations after the Fifth Central Pay Commission. Since every State has its own system of working out pay requirements, no national pay

scales have been suggested. For purposes of calculations, provision @ Rs.5,000/- p.m. for primary school teachers and Rs. 6000/- per month for upper primary school teachers has been made.

(vii) As regards Non Formal Education, the Group was of the view that any form of quality education would require minimum facilities and salaries for teachers. While it is true that alternative forms of education may be necessary specially in very remote and small habitations, it can not be allowed to suffer by poor resource provision. The Group felt that good alternative schooling would also require costs almost at par with what is provided to formal schools. Better linkages between alternaive and formal schools were desired. The group felt that the present cost norms should be used to support alternative forms of schooling as well, if any.

(viii) Similarly, on the issue of salaries of teachers, some States have been experimenting with Shiksha karmi or Para Teachers. While promotion of the local context and selection of personnel willing to serve in remote rural locations is to be encouraged, provision of para teachers only as a means to reduce costs of elementary education would not be fair. Ultimately, in the long run, the arguments for equal pay for equal work would catch up. While the Group felt that para teachers could be useful in extremely remote locations, there should never be a national programme for recruiting para teachers. Quality elementary schooling would require proper provisioning and a system of continuous human resource development for well trained qualified and well equipped teachers. Arrangements for improvement of educational qualifications of teachers could be encouraged. The rigour of teacher selection, however must be maintained with a high degree of community involvement in a transparent selection process.

(ix) Mobilisation of the community especially women, and an institutional role for community leaders in managing the affairs of elementary schools, holds the key to sustainable quality education for all. There is a need to reinforce the moral authority of the teacher and to use community persuasion through Panchayati Raj Institution for bringing all children to the school. The participation of the poorest households by effective mobilisation is a pre-condition for UEE. No amount of resource provisioning can be a substitute for genuine community mobilisation.

13 As mentioned earlier, the estimates made above are based on costing of minimum norms that are required for provision of quality education. Between 1993-98 Central and State

Governments have made investments in the elementary education sector and to that extent, the overall projections would have to be adjusted. The provisions made over the four years, however, are very small compared to the size of investments required as per these projections.

3.14 Currently, the Governments are already spending on items likely scholarships, mid-day meals and free text books for some sections of children. Full details regarding current levels of spending of Central and State Governments is not entirely known, though recent surveys indicate that the coverage so far, except mid day meals/food grains, is not very high (PROBE Survey 1999).

3.15 As regards norms for teacher salaries and for teacher pupil ratio, here again, there are likely to be variations across States and the costs would reflect these diverse situations. As a consequence, the actual requirement could be different from what has been projected in the cost estimates. A provision of two teachers for every Primary School, irrespective of the number of students has been made.

CLARIFICATIONS REGARDING COSTING

3.16 Regarding the calculations, the following points have to be made :-

a) As per the All India Educational Survey, 1993, we need to establish an additional 1,84,055 primary schools in order to provide a primary school within one kilometer of each habitation in this country. Under the Education Guarantee Scheme in Madhya Pradesh, more than 17000 such centres have already been opened. Similar information regarding opening of new primary schools is available from other States also and the extent to which these new schools have been provided new buildings, teaching aids and new teachers, it will have implications for additional requirements. Since in many cases, schools are opened without basic facility contrary to the directions under the scheme of Operation Blackboard, it is often found that teachers from other schools are deployed in new schools in order to start these schools.

b) As per the national norm of having two primary schools for every upper primary school, the total requirements would be to set up an additional 2,20,678 upper primary schools.

c) Some States have been in the process of upgrading some of their primary schools into upper primary ones but the pace has to be considerably accelerated.

d) In order to provide a classroom for 30 children at the primary level and to provide at least two rooms to every newly established primary school, the total requirement for classrooms at the primary stage is 41.18 lakh. As per the 1993 All India Educational Survey, we already have 16.25 lakh classrooms made available in the primary school system. Under programmes of rural employment like Jawahar Rozgar Yojana and from funds under DPEP and other externally aided projects and other releases for school buildings like Finance Commission's grant and State plan matching shares under OB, nearly eight lakh rooms have either been added or would be added to the existing school infrastructure as per current levels of spending on construction of classrooms. Accordingly, a provision of constructing 16,92,726 primary classrooms have been kept as an additional requirement after making adjustments for the coverage between 1993 and 1997 and the likely coverage assuming the current investments to continue in the Ninth and Tenth Plan period.

e) At the upper primary level, in order to provide at 1:30 and a separate room for Headmaster in each upper primary school, the total requirement is of 28.58 lakh classrooms. Against this, as per the 1993 All India Educational Survey, there were only 10.55 lakh classrooms available. In our calculations for additional requirement, we have projected requirement for the balance 18,04,523 classrooms. The cost of construction on 1996-97 prices has been taken as Rs. 75,000 per classroom.

f) As regards additional primary school teachers, it is proposed that we begin by assuming 1:40 teacher pupil ratio and in the 10 year period between 1998-99 and 2007-2008, move towards a teacher pupil ratio of 1:30. On the assumption of a teacher pupil ratio of 1:30, we require an additional 24.58 lakh primary teachers over and above the 16 16 lakh such teachers who were there in the system at the time of the 1993 All India Educational Survey. As per the education statistics 1996-97, 183077 primary school teachers have been added to this system between 1993 and 1996-97. While calculating the requirement of additional teachers adjustments have also been made for the annual recruitment which is currently undertaken from the funds under the scheme of Operation Blackboard, DPEP and State plans. An annual allocation of Rs.600 crores is made on teachers' salaries under these projects and these are likely to continue over the Ninth and Tenth Plan period.

g) Regarding additional [illegible] primary school teachers, we had 11.06 lakh teachers at the upper primary level in 1993 against our projected requirement 24.83 lakhs. Between 1993 and 1997, more than 100932 upper primary teachers have been added to this system. The additional requirement after making all these adjustments is 12.76 lakh upper primary school teachers.

h) As regards school equipment, provision has been made for new primary and upper primary schools, as per the norms under the scheme of Operation Blackboard. For existing upper primary schools, it has been assumed that they shall be covered from the regular scheme of OB. Similarly, provision of school equipments has already been made under the DPEP which is extended to nearly one-fourth of the districts in this country (149).

i) Adjustments have been made on account of investments under DPEP in 149 districts in the country so far. These will have implications for expenditure on establishment of cluster centres, block resource centres and upgradation of DIETs, teachers' salaries, teacher support materials and aids, maintenance and repair of school infrastructure with community support, availability of text books etc.

j) Nearly Rs.1200 crores is provided for mid-day meals unders existing budgetary allocations. The projections for additional requirements have been adjusted assuming that the current level of budgetary provision shall continue over the next ten years.

k) As regards scholarships, provision for providing it to all children from below poverty line families has been made which has been assumed to be nearly 50%. Currently scholarships are provided to SC/ST, OBC through State Plan and Ministry of Empowerment and Social Justice funds. Though the exact amounts provided for scholarships each year are not readily available at the national level, the recently conducted PROBE Survey indicated that nearly 8.7% of the surveyed children were receiving scholarships at the primary level. Assuming slightly higher coverage at upper primary level and in other educationally advanced States,, the current spending by States on scholarships may be assumed at about Rs. 250 crores annually. The calculation of additional requirements has been adjusted accordingly.

l) As regards free uniforms, States are currently providing uniforms and here again, no national statewise data regarding total investments from various sources for free uniforms is available. The PROBE Survey had found nearly 1.3% children receiving

free uniforms. States would be currently providing up to Rupees 200 crores annually for uniforms.

m) Regarding text books also, many States have programmes for supply of free text books to selected categories based on economic and social deprivation. Here again, complete information from all the States regarding their present budgetary allocations is not available but States like Rajasthan, West Bengal, Assam are already providing free text books to all children. The total State support so far would be in the order of nearly Rs. 250 crores annually and adjustments for additional requirements have been made accordingly.

3.21 A statement regarding item wise costing is placed at Annex-II. The adjustments have been on two counts -

a) Expenditure incurred between 1993 and 1997.

b) Assumptions regarding expenditure that will be incurred under ongoing programmes of UEE.

Annex - II also gives the break up of financial requirements for Primary and Upper Primary, assuming Primary to imply Class I - V and Upper Primary to mean Class VI - VIII.

The annual additional requirements and the cumulative additionality are projected in Table - 7 and Table - 8 below -

TABLE - 7

PHASING OF ADDITIONAL EXPENDITURE			
Year	Recurring	Non-Recurring	Total
1998-1999	100	0	100
1999-2000	1500	2000	3500
2000-2001	4000	3000	7000
2001-2002	6000	4000	10000
2002-2003	8500	4000	12500
2003-2004	10000	4000	14000
2004-2005	13000	4000	17000
2005-2006	16000	4000	20000
2006-2007	20000	4000	24000
2007-2008	27250	1572	28822
	1,06,350	30,572	1,36,822

TABLE - 8
CUMULATIVE ADDITIONAL EXPENDITURE
(Rs. in crores)

1st Year	100
2nd Year	3600
3rd Year	10600
4th Year	20,600
5th Year	33,100
6th Year	47,100
7th Year	64,100
8th Year	84,100
9th Year	108,100
10th Year	1,36,822

MOBILISING ADDITIONAL RESOURCES FOR UEE : A MACRO PERSPECTIVE

4.1 As per the estimates of the Group, we require additionally Rs. 137 thousand crore for UEE. Year-wise distribution of this additional requirement is also given in Table - 7 & Table-8.

4.2 When seen in the context of overall budget expenditure of this country and the national commitment to spend 6% of the GDP on education, this does not appear to be a daunting task at all. Assuming a modest 5% real growth per annum over the next 10 years, the table below indicates that on average 0.7% of GDP would be additionally required per annum for universalising elementary education. If the current spending on education is about 3.6% of the GDP, this would mean that by the 10^{th} year, a 4.9% of allocation would be sufficient to maintain other sectors of education at current level and also to provide for universalising elementary education. The argrument of this Group, therefore, is that 6% of GDP should be allocated to education to universalise elementary education and to provide for sufficient grants in secondary and higher education. Nearly half the total resources could be allocated to post day education, after elementary education is given the first half.

4.3 The group is also aware that on account of Fifth Central Pay Commission's recommendations and its implications for salaries of teachers' in States/UTs, there is bound to be some increase in the expenditure on teachers already appointed. Even assuming an increase in GDP spending on account of increased salaries, there would still be sufficient resource available not only for universalising elementary education, but also for providing additional resources in other sectors of education.

4.4 Table - 9 below projects the resource requirement for Universalisation of Elementary Education in the macro perspective, through its implications in GDP terms. Chart - I below projects the Tax - GDP ratio in order to suggest that potential for additional resource mobilisation exists and would be required for providing additional resource for UEE.

TABLE -9

RESOURCE REQUIRED FOR UEE - THE MACRO PERSPECTIVE

(All figures are in Crores)

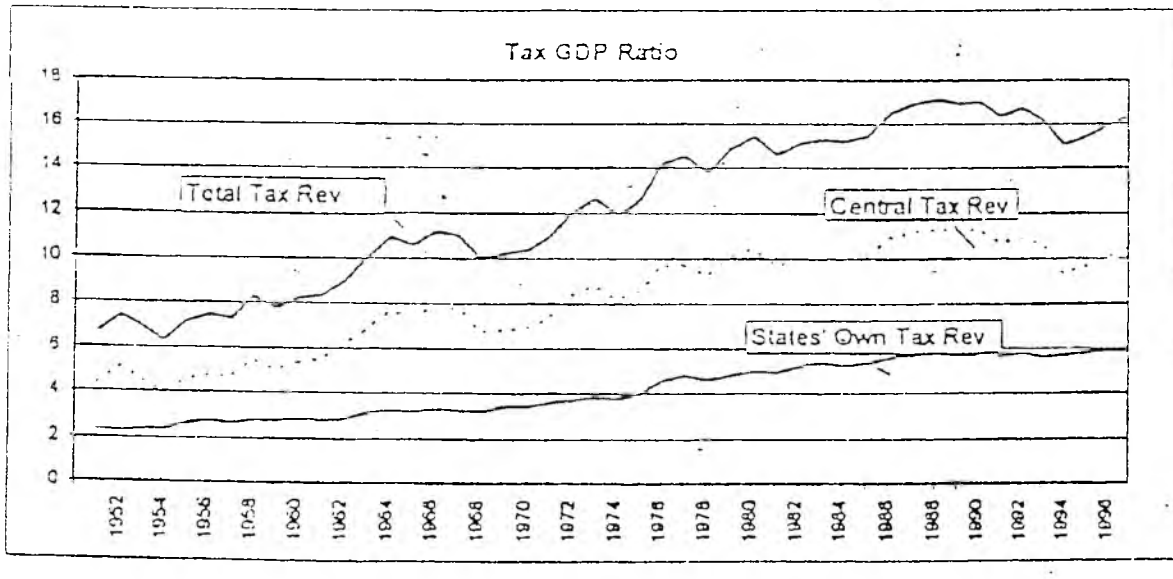
	1996-97	1997-98	1998-99	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
GDP at current prices	1276974	1545147.5	1699662.2	1869628.4	2056591.2	2262250.3	2488475.3	2737322.8	3011055	3312160.5	3643376.5	4007714.1
GDP at 1996-97 price	1276974	1330823.7	1396364.89	1465183.34	1538442.61	1615364.74	1706132.97	1791439.56	1881011.54	1975066.12	2073859.43	2177532.4
6% of GDP at 1996-97 price	76618.44	79849.42	83781.89	87911	92307.56	96921.88	102367.97	107486.37	112860.69	119503.97	124431.57	130651.92
Additional Requirement for UEE at 1996-97 Prices			100	3500	7000	10000	12500	14000	17000	20000	24000	28822
Percentage of GDP at 1996-97 prices	–	–	0.007%	0.24%	0.46%	0.62%	0.73%	0.78%	0.90%	1.01%	1.16%	1.32%

ASSUMPTIONS

Real Growth - 0.05 (5%) per annum
Inflation - 0.05 (5%) per annum
Nominal Growth - 0.10 (10%) per annum

C - Capital Cost
R - Recurring Cost

Chart 1


Tax GDP Ratio
Total Tax Rev
Central Tax Rev
States' Own Tax Rev
18
16
14
12
10
8
6
4
2
0
1952
1954
1956
1958
1960
1962
1964
1966
1968
1970
1972
1974
1976
1978
1980
1982
1984
1986
1988
1990
1992
1994
1996

4.5 Provision for additional expenditure required for achieving UEE would need to come from a combination of (a) augmentation of tax revenues; (b) increase in non-tax revenues (imply lower subsidy and better cost recovery); and (c) restructuring of Government expenditure in favour of education. GDP at 1996-97 prices is Rs. 1276974 crores, by the year 2007-08, it would be Rs.2177532 crores assuming a 5% real growth per annum during this period. 6% of GDP at 1996-97 prices for the year 2007-08 would be equal to Rs.130651.92 crores. It is the contention of the Group of Experts that this would be more than sufficient for providing universalisation of elementary education as also additional investment in other sectors. Total tax revenues in 1996-97 constituted 15.97% of GDP at market prices. The non-tax revenues constituted 2.9% and the total borrowing was 7.44% of the GDP.

TAX REVENUES

4.6 A review of the tax-GDP profile (Chart 1), considering Central and State taxes together, indicates that starting from a level of about 7% of GDP in 1952, the tax-GDP ratio has steadily increased, reaching a peak of 17.10% in 1987-88. In the reform era beginning 1991, it fell down to a level of 15.06 in 1993-94, which was its lowest level since 1980-81. Since then, it has started to improve. It is now a little more than 16 per cent (average for 1993-94 to 1996-97: 15.97%), but still below the previous peak of 17 per cent. Following tax reforms, the share of direct taxes has increased from 2.29 per cent of GDP in 1990-91 to 3.30 per cent in 1996-97 (BE) while that of indirect taxes has fallen from 14.59 per cent in 1989-90 (previous peak) to about 13 per cent in 1996-97. It is expected that the tax/GDP ratio could be improved to about 18 per cent by 2007-08.

Non-Tax Revenues

4.7 Non-tax revenues derive from net contribution from departmental undertakings, dividends from non-departmental undertakings, interest receipts, and receipts from fiscal and general services as well as social and economic services and external grants. The share of non-tax revenues as per cent of GDP is about 2.9 per cent (average for 1993-94 to 1996-97 BE) of which about 1 percentage point from interest receipts and 0.4 is the net contribution from public sector undertakings. The rest comes from administrative, fiscal, social and economic services. The contribution of the latter two is just about 0.70 per cent of GDP. Improved recoveries, as part of the overall strategy of reducing budget-based subsidies, should effectively augment the role of

non-tax revenues in financing expenditure. The overall contribution of non-tax revenue would need to be in range of 4.5 to 5.0 per cent of the GDP by the target year, most of it coming from improved recoveries from social and economic services provided by the government as a part of the overall strategy of reducing subsidies. Together these would provide additional budgetary resources of 4.0 per cent points of GDP (2 percentage points each from tax revenues and non-tax revenues) by the target year. The discussion paper on 'Government Subsidies in India' indicates some of the sectors like industries, agriculture, irrigation, power and roads that should be targeted first for improved cost recoveries.

EXPENDITURE RESTRUCTURING

4.8 Additional resources for elementary education will have to be provided for in the government budgets of the Central as well as the State Governments within an overall framework of restructuring of government expenditure. In particular, sectors like education (including higher education), medical and public health and such segments of infrastructure where private sector participation is not likely to be adequate would claim a higher share. This will have to be accompanied by withdrawal from excessive direct participation in industries, agriculture and other economic sectors. Additional claims generated on account of the implementation of the recommendation of the Fifth Pay Commission in the case of Centre, followed up in the States will also have to be provided for. Any remaining adjustment will have to come from additional borrowing. This will have to be used to accommodate year-wise departures from revenue and expenditure targets. The long term fiscal deficit target should be fixed with a view to achieving a sustainable debt-GDP ratio. It has been argued that about 5.5 per cent of GDP (4 per cent of the Centre, 1.5 per cent for the States) may be fixed as the long-term target.

RELATIVE ROLES OF CENTRE AND STATES

4.9 Strategies of resource augmentation through subsidy reduction, improved non-tax revenues and expenditure restructuring will have to take place both at the level of the Centre and the States. However, the relative share of the Centre and the States in providing the additional resources required for UEE will have to be worked out by the Finance/Planning Commissions. Both the vertical issues of resources to be transferred from the Centre, and the horizontal issue of dividing it among the States will have to be deliberated upon.

4.10 It is evident that the Centre would have to provide for a lot of the additional resources as most of it would come as a Plan expenditure. Given the current sharing of resources, the States may find it difficult to provide for additionality immediately considering that the pressures from additional salaries on account of Pay Commission's recommendations are still adversely affecting their ways and means position. It is the contention of the Group of Experts that improvement in tax revenues as projected and restructuring in favour of education, public health and sanitation would require minor adjustments in the other sectors of expenditure. Improvement in cost recoveries and reduction of subsidy that are not directed towards the poor specifically would release resources for providing the additionality. It is also our contention that such restructuring would be in the interest of overall economic development as reduction in non-development expenditure would be required urgently to improve the economic performance of this country. We have now sufficient data both, globally and nationally, to prove that improvement in education and health contributes towards reduction in poverty in a very meaningful way. This additional expenditure should, therefore, be looked upon as an investment in economic restructuring that will pave the way for higher rates of growth of the Indian economy in the years to come.

4.11 Expenditure restructuring always has gainers and losers and it is important to nationally decide priorities. If education in general and elementary education in particular is a priority, it would call for a restructuring. The figures for various sectors as percentage of GDP is shown in the table below for the year 1996 - 97.

	96-97
Total Tax Revenue	15.97
Non Tax Revenue	2.90
Total Borrowing	7.44
Other Receipts	0.65
Total Expenditure	29.96
Defence (Targeted)	2.43
Interest Payment	5.44
Pension (Yr.Rate)	1.15
Addl. Wage Burden	0.00
Education	3.2

Addl. Expenditure for UEE	0.00
Medical (Targeted)	1.31
Power & Transport (T)	1.48
Other Expenditure (Res.)	10.80
Loans & Advances	1.42

Over the projected ten year period, it is expected that the additional wage burden would increase considerably in the initial years on account of the Fifth Central Pay Commission and its implications for Central and State governments. Pension and interest payment outflows would also rise over this period. The major restructuring is possible in the Other expenditure head (10.80%), whose composition is 4.7% Non Developmental and 6.1% Developmental. It must also be kept in mind that the elementary education sector is also a highly labour intensive sector where teachers' salaries accounts for a bulk of the recurring expenditure. A large number of jobs can be created in rural India in the education sector and this could even see the resurgence of women and youth for constructive social development. An improvement in the total tax revenue, reduction in non developmental expenditure of government that does not target the poor specifically, and a restructuring of government expenditure in favour of Education in general and Elementary education in particular, is all that is required to meet the 6 % GDP commitment for the education sector. Given the strong linkage between educational advancement and the reduction in poverty, it is perhaps a national imperative.

SHARING OF RESOURCES BETWEEN THE CENTRE AND THE STATES

5.1 The third term of reference before this Group was to determine a suitable sharing arrangement between the Central and State Governments for meeting the additional financial requirements for the efficient and speedy achievement of UEE. It was the view of a large number of the members that the basic principles involved in the sharing of the financial responsibility of pursuing the ends of UEE have to be arrived at by seeking consensus among the Centre and States at the levels of such constitutionally empowered bodies as the Finance Commission or the National Development Council. Also, the issue of sharing the responsibility for allocating resources towards the UEE Programme pre supposes the question of sharing of the Central and State tax and non-tax revenues which clearly is beyond the purview of this Expert Group. The Group therefore did not attempt to go into the principles of centre-state fiscal relations that were basically involved in this question. However, the Group wished to record the following observations that may have relevance for, and be helpful in, determining the financial responsibilities of the Centre and the States pertaining to the elementary education sector, given the fact that Education is on the Concurrent List in the Constitution.

5.2 First and foremost, as it has been found both by the over-all unit cost methodology used by the Saikia Committee study and the more refined itemised activity-wise costing methodology used by the Expert Group, the total financial requirements of UEE are going to be very large. How these financial responsibilities would have to be shared by the Centre and the States in the long run, whether different formulae have to be evolved for different categories of states, large and small, relatively rich and poor, relatively better endowed in terms of human resources and relatively backward, on all this a national consensus would have to be evolved - which is unlikely to be achieved in a hurry. But what is fairly certain is that, in spite of education being on the Concurrent List and the dominant trend today in the world of educational decision-making is more and more decentralisation, the coming decade of the great leap forward to UEE has to be one in which mainly the Centre would have to share a major responsibility in the resources for UEE.

5.3 Secondly, the Expert Group would also like to stress at the same time that the legal and constitutional responsibility of preserving the fundamental right of the citizens to elementary education is justiciable, and it rests squarely with the "state" as defined by the Article 12 of the Constitution of India, which includes for this purpose the Central as well as the State and Local Governments. Therefore, in the opinion of the Group, it would be incumbent on the governments at all the three levels to try their utmost to divert state resources at their disposal so that every region that they may be accountable for can, as quickly as possible, catch up with at least the national or the state average (as the case may be) of public spending on elementary education whenever they are found to be falling short of it.

5.4 The Group also felt that, following the same principle, it would be incumbent on the state at all the three levels to divert state resources at their disposal so as to diminish quickly the inequalities in access to elementary education between girls and boys, and between children of different communities and socio-economic backgrounds that exist in every region that they may be accountable for.

5.5 Coming to specifics, the Group wished to stress the importance of human resources, mainly teachers, in the gigantic drive toward UEE. The Group has been made aware that there is a feeling among the states that the recurring support to state governments for teacher salaries is very insufficient and this adversely affects their ways and means position. Salaries against teacher posts sanctioned under the Scheme of Operation Blackboard in any Five year Plan period, is provided by the Central government only till the end of that Five Year Plan period. The salary liabilities of the Seventh Plan are transferred as Non Plan liabilities of state governments at the end of the five year Plan. The Finance Commission is expected to take into account these liability transfers at the time of determining the state specific awards. The state governments have been pressing the Central government for continuing support to teacher salaries even beyond the Five Year Plan period. Under the current rules, this is not possible. The Kothari Commission had also recommended the need to support teachers' salaries for a ten year period from the Central funds.

5.6 The appointment of teachers is a major requirement for the attainment of Universalisation of Elementary Education and there is an urgent need to resolve this issue. Teacher recruitment is lagging behind, more so in educationally backward states like Uttar Pradesh and Bihar. State

governments have almost stopped recruiting teachers on account of the growing salary bills. With the Fifth Central Pay Commission and its implications for state salaries, the total drawals on account of teacher salaries are likely to increase even further. This will impact on the current salary bills even if no additional appointments are made. Naturally, state governments are finding it very difficult to provide for salaries of more teachers. Innovations like appointing Shikshakarmis instead of teachers has been tried out in Madhya Pradesh and Andhra Pradesh but on account of absence of rigour in the selection process in some areas, such efforts are unlikely to help in the sustainable quest of UEE. In the short run, they are able to meet the teacher shortages.

5.7 The Group is of the view that this issue of teachers' salaries and transfer of burden to states needs to be resolved in consultation with the state governments. Centralisation of payments can never be the permanent answer in a system whose success would ultimately depend on the success of efforts at decentralisation. In the short run however, and till such time as fiscal transfers to states remain unresolved, there will be a need for the Central government to provide for the salary support even beyond the Five year Plan period.

5.8 The issue of a very large number of Central sector and Centrally sponsored schemes in the field of Elementary Education has also been raised in debates. The genesis of many of these schemes was not any centralising tendency; it was much more to meet the additional financial needs even if the states had limited resources.The notion of Central sector and Centrally sponsored schemes would have to be understood in the light of the sense of urgency that was expressed in the National Education Policy 1986 of achieving UEE by 2000 A.D. The initial schemes had a centralised focus but of late contextual and local area planning based approaches with a district as a focus have been encouraged. The challenge of UEE can be best met by a more efficient utilisation of resources and this would require community mobilisation and promotion of contextual need based Plans. The sovereignty of each village would have to be respected and the expenditure would have to be determined by the process of school mapping and micro planning at the village level. The Centrally sponsored schemes would largely be a method of fiscal transfers to states but it should not come in the way of the need based approach of state governments. Given the resource position of state governments, perhaps central intervention may be necessary for some time. With a redefinition of resource sharing arrangements, the central sector and the centrally sponsored sector would automatically become redundant.

5.9 The Panchayat bodies have been given the charge of the elementary education sector in many states. This would also involve mobilisation of the community resources for education. This Group is all for encouraging the participation of the community in promoting UEE and recommends the setting up of a Bank account in each school, to be jointly operated by the School Head Master and the elected Panchayat representative at the village Panchayat level. This Bank account can even attract fund support from the well- to- do sections of society. In case an educated well- to- do Indian staying in a city wants to support the village school in his / her native village, he she should be able to do so. These contributions are not being suggested to encourage abdication of the state's responsibility for mobilising resources for UEE. Far from it. It is the belief of this Group that greater community involvement on a voluntary basis in the management of the School may substantially help in the achievement of UEE.

5.10 The issue of imposing education levy/cess was also examined by this Group. It was of the view that it was incumbent on the government to find the resources from its regular Budgetary allocations for UEE. Imposition of a separate cess/ levy did not find favour with the Group as many of these levies often end up being utilised for some other purposes. Since UEE would require a sustained provision of financial resources, adhoc levies and cess may not serve the purpose. It is more important for the state to realise that budgetary allocations have to keep in mind the requirements for UEE as there cannot be any compromise in sustaining human resource development.

CHAPTER VI

CONCLUDING REMARKS

6.1 To conclude, most of the operational part of this report rests on the simple premise that the granting of the right to elementary education, as a justiciable fundamental right of all the citizens of India up to the age of 14 years, implies that all children, including those who have so far been deprived of the opportunity of schooling, have equal entitlement to a period of formal and normal schooling that the state has already made available to the average school-going child. The Expert Group, therefore, looked at innovative alternative schooling forms but did not favour any different and less costly mode of schooling, whether formal or non-formal, for the deprived children which is sometimes advocated, even if reluctantly, on the oft-repeated ground of the shortage of resources in the hands of the state. The reason for the Group's taking this position was, however, not purely sentimental.

6.2 It may be recalled that the issue of making elementary education a fundamental right has been the subject of public debate, mainly since the pronouncement of the Supreme Court judgement in 1993 in the Unnikrishnan Case. The judgement in that case had declared the right to elementary education to be a justiciable fundamental right under the Indian Constitution. The question of ascertaining the economic capacity of the state does not directly apply in the matter of protecting the fundamental rights of the citizens, as had been made clear in the judgement itself.

6.3 The qualitative change brought about by the Unnikrishnan judgement is a very significant one. From being an incremental development goal in the process of education for all, UEE has, in consequence of the judgement, now become a justiciable entitlement of every Indian child in the age group of 6 - 14. Clearly, entitlements sanctioned by the Constitution cannot be deferred by the state at its convenience and, therefore, there is a certain urgency in providing the same basic opportunity and minimum facility for elementary education to all the children So far UEE could be legally regarded only as an important incremental goal of the state that had to be pursued diligently, but on the basis of competition with other desirable social goals, and taking into account the available resources. An entitlement based on a justiciable fundamental right, however, is on an altogether different footing. The state has to make the necessary reallocation of resources, by superseding other important claims, if necessary, in a manner that the justiciable entitlement

"4 Accord priority to free primary education ..."

6.6 The Group, therefore, feels that the move to make education a fundamental right would not lack political support from any side. The resources needed, however large, may be forthcoming, perhaps flowing in over the whole of the coming decade. For this very reason, the Group feels, there would be the greater need to monitor the spending on education, the size of which would be gigantic by any standard, and to strictly guard against all forms of waste and corruption.

6.7 Having said this, the Expert Group considers it necessary to add that, in any event, all the state's liabilities have to be set carefully down against its current ability to pay, even if only for the purpose of determining which heads of expenditure have to be downsized so that the constitutional commitments can be met. The exercise contained in Chapter IV (see particularly, Table 1) shows clearly that the scenario in which it would be possible to pay for UEE out of normal budget allocations assuming a reasonable rate of growth of the GNP (5% annually in real terms), a reasonable rate of increase in the tax/GDP ratio (from the present about 16 percent to about 18 percent 2007-08) and the gradual increase in the allocation of the total of the Central and state budgetary expenditure on education to about 6 percent of the GDP by the year 2006-07. This surely is by no means an implausible scenario.

6.8 As per our estimates, there is a requirement of an additional amount of Rupees 1,36,822 crore (Rs. 1,06,350 crore recurring and Rs. 30,572 Non Recurring) over a period of ten years (1998 - 99 to 2007 - 2008). This, it should be noted, is the largest plausible estimate in our range, subject to norms that states may like to adopt. This is higher than the estimate of Rs. 40,000 crore earlier made by the Saikia Committee using a rule of the thumb version of the unit student cost method. The main purpose of our exercise was to show that even under fairly severe cost assumptions, the necessary budgetary resources for UEE could still be found by the Central and state governments, which was a point that the Expert Group would certainly want to bring to the notice of the decision makers concerned.

6.9 It should be added that if the rate of growth happens to be slower than what has been assumed in the exercise (which is unlikely considering a 5 % real growth has been assumed) and the rate of augmentation of tax revenue and the rate of increase in non-tax revenues (both of which depend on the ability to reduce open and hidden subsidies and more efficient recoveries) also fall to lower levels than what was expected, then a fairly drastic reallocation of the budgetary

resources would be necessary. This would certainly make the attainment of UEE within a decade a more challenging task, but the resource requirement on the state even in those adverse situations could not still be held as very oppressive. After all, had not the Education Commission (1964-66) itself predicted: "By 1986, it is likely that a figure of 10 per cent of GNP invested in education will become commonplace in most countries." This is all that India would have to reach over the next decade even in the worst outcome scenarios Let us also remember in this context what the Education Commission had added optimistically to the statement quoted above:"If total and comprehensive disarmament is achieved by then, as we all hope it will be, the figure for the developing countries may even exceed 10 per cent; and it is only through some such action that the dismal and dangerous gap between the poor and rich countries can be reduced to tolerable dimensions". No political party in 1966 had considered this as an unreasonable, far less an unacceptable scenario for the Indian people.

6.10 It is also important to note that the Expert Group's estimate of the additional cost of achieving UEE in a decade has three areas where a certain degree of overestimation is possible which, hopefully, would provide some built-in cushioning in case the UEE programme runs into an unforeseen adverse cost situation:

6.11. First, it may not be possible to match the monetary and physical resources made available for UEE with the necessary human resource component (mostly in the form of professionally adequate teachers) within the short period of ten years in many parts of the country. In that case, the standing monitoring machinery that the Expert Group advocates should unhesitatingly stop even sanctioned expenditure on education that cannot be turned into investment in the real sense.

6.12. Secondly, the gain in the internal efficiency of the system through arresting wastage and corruption may prove to be eventually large enough to result in a substantial overall fall in the cost of elementary education.

6.13. Thirdly, the private sector may come to play a much larger role in the elementary education sector.

6.14. Of the three possibilities visualised above, the Group naturally would not wish to see costs being saved on account of the lack of progress of UEE because of the non availability of teachers

of the right quality and in the required numbers, or the lack in the other matching infrastructural investments. In real terms that would be necessary in the coming decades. But the other possibility of a marked increase in the cost efficiency of investments in elementary education is a very welcome prospect from the point of view of relieving the demand on additional public funds. As has already been mentioned, however, it is not possible at the present moment to quantify this prospect and thereby allow for its contribution while estimating the eventual direct cost of universal elementary education. The Group is, nevertheless, hopeful that the contributions of this factor would be reasonably large and should be growing over time.

6.15. It may be mentioned that there may be some under estimation in cost projections on account of the following - a) ignoring over and under age children; b) restricted definition of free education that has been adopted; c) assumptions regarding the coverage under the on going schemes.

6.16. The Group wished to reiterate that what the Constitutional commitment to the achievement of universal elementary education basically demands, in real terms, is obviously that the state shall cause the necessary additional investments to flow into the elementary education sector. However, since the resources involved would be not only monetary and physical but also human (mostly, the teachers), and the process is the education of children in a vast multilingual and multicultural setting, the job of turning expenditure on education into real investment in education could by no means be easy. In other words, the purpose of enacting the Eighty-Third Amendment may not be served by merely increasing the share of state spending under the head of elementary education. It is not only the size of the spending but, more importantly, its cost-effectiveness with respect to real targets wisely chosen, that would determine how far the fundamental right to education is going to be protected through the reallocation of the budgetary resources by the state.

6.17. The Group would recommend that the Central Government may urgently consider setting up an independent institutional mechanism for monitoring and controlling the flow of funds for all UEE-related expenditure at the Centre and the States. Its major function should be to address all problems of internal inefficiency of the system that are likely to surface as the UEE programmes progress. The Group visualises a system that would be able to receive continuous information feedback at nodal points at the district, state and the Central levels from teachers and educational

administrators actually facing the problems in the field, so that the decision-makers at these levels can make the necessary mid-stream corrections as quickly and as efficiently as possible.

6.18. The existing inefficiencies in the education system have often been used as arguments for justifying not enhancing allocations for the education sector For example, the performance of primary school teachers is generally perceived as unsatisfactory and this has often been given as a reason for going slow on teacher appointments. It goes without saying that no amount of additional spending alone would take care of the elementary education needs of children, if the general standing of school teachers, along with their accountability and motivation, did not improve. That is what internal efficiency at the elementary school level is all about and the participation of the community in the affairs of the school appears to be the only sustainable way of ensuring it. For that purpose the proper working of the Panchayati Raj institutions with the consequent devolution of powers and functions down to the school management appears to be an essential requirement.

6.19. For achieving internal efficiency there would often be the need for exact targeting of many of the contemplated initiatives. For example, if the objective is to ensure active participation of all children, it may be necessary to identify provisions in a precise child-specific and context-specific way. Such individualised, or specifically tailored, forms of targeting can only be achieved by decentralising most initiatives in elementary education. The Village-level community organisations can alone determine the specific needs of the school-age group children. Centralised macro-level listing of such needs often leads to wasteful expenditure. There is thus urgent need to check waste by promoting genuine decentralisation.

6.20. The Group noted, however, that there was no reason to be greatly despondent on account of the evidence of general internal inefficiency in the elementary education system in India. It should be remembered that even with certain measure of internal inefficiency which undeniably exists in most developing countries, international examples have always demonstrated the high returns on investment in the elementary education sector for almost every country. Moreover, the economic performance of developing countries that have succeeded in providing elementary education to all, has been significantly better than the performance of the countries that have as yet not succeeded in their quest for universal elementary education. Literacy with elementary education would show significant positive co-relations with many human development indicators

like life expectancy, fall in infant mortality and fall in fertility rates. In our own country, states like Kerala, Tamil Nadu and more recently Himachal Pradesh have clearly demonstrated the gains from improved rate of participation in elementary schools and higher literacy rates among women.

6.21. The performance records of states like Kerala, Tamil Nadu and Himachal Pradesh (particularly the last two since they are the new members of a still very small set) are, in fact, a source of considerable hope in this respect, because their successes tend to indicate that the other states having similar initial levels of economic and educational development may also improve their efficiency and decide to be firmly set on the road to providing entitlement to education to all children. We must remember that in the case of all the three states mentioned above, the per capita spending on education has been consistently and significantly higher than the national average. The case for allocating more resources for education seems, therefore, to be strong on the grounds of the empirical evidence of economic development alone. Promoting human well-being, which is the end of economic development, is the greatest challenge for a democratic welfare state like India and providing quality elementary education to all appears to be the best available means of moving towards that goal.

ANNEXURE-I

EXTRACT FROM THE ORDER CONSTITUTING THE EXPERT GROUP

The Common Minimum Programme of the United Front Government, resolves to make right to free and compulsory elementary education a fundamental right and to enforce it through suitable statutory measures. Accordingly, a Committee of State Education Ministers was set up to examine the implications of the proposal. The Committee has recommended that the Constitution be amended to make the right to free and compulsory education from 6 - 14 years of age a Fundamental Right and to make a Fundamental Duty of Parents to provide opportunities for education to children in this age Group.

The Committee of State Education Ministers has, in its report, indicated a tentative requirement of funds to the tune of Rs. 40,000 crores for a period of five years for making free and compulsory education a Fundamental Right. The Committee has further recommended to constitute a Group of Experts in educational finance and fiscal management to examine financial requirments of the states; to identify measures for mobilising additional resources; and to determine suitable sharing arrange,ments between the Central and State governments. The proposal has been approved by the Cabinet. As per the implementation schedule, the proposed Group of Experts is required to be constituted within a month of the approval of the Cabinet.

LIST OF MEMBERS OF THE GROUP OF EXPERTS

(DR. R.V.V.Ayyar was the Chairman and Shri Atul Bagai the Member Secretary when the Group had been originally constituted).

1.	Prof. Tapas Majumdar, Professor Emeritus Dr. Zakir Husain centre for Educational Studies Jawaharlal Nehru University New Delhi.	Chairman
2.	Shri N. Gopalaswami, Advisor (Education) Planning Commission New Delhi.	Member
3.	A representative of Ministry of Finance not below the rank of Joint Secretary	Member
4.	Shri Alok Ranjan, Education Secretary, Govt. of Uttar Pradesh, Lucknow (U.P.)	Member
5.	Shri Vishnu Bhagwan, Education Secretary, Govt. of Haryana Secretariat Chandigarh.	Member
6.	Shri Nikhilesh Das Education Secretary Govt. of West Bengal Writer's Building Calcutta - 700 091.	Member
7.	Shri Jai Priya Prakash Education Secretary Govt. of Assam, Education Sectt. RCG Building, Kahilipra Guwahati 781 019.	Member

8.	Shri S.C. Mankad, Principal Secretary, Education Department Govt. of Gujarat , Block no. 5, 7th Flooor, Gandhi Nagar - 382 010.	Member
9.	Shri S.V. Ranganath Education Secretary, Govt. of Karnataka Sachivalaya-II, MS Bldg., Bangalore - 560 001.	Member
10.	Prof. B. Siva Reddy, Deptt. of Economics, Osmania University Hyderabad.	Member
11.	Prof. P.R. Panchmukhi Centre for Multi-Disciplinary Research Dharwad, Karnataka	Member
12.	Dr. JBG Tilak, Senior Fellow & Head Educational Finance Unit, NIEPA, New Delhi.	Member
13.	Dr. Sajitha Basheer Formerly Chief Consultant, DPEP 156- Siddarth Enclave New Delhi.	Member
14.	Dr. N.V. Varghese Senior Fellow & Head SNS Unit, NIEPA New Delhi.	Member
15.	Dr. D.K. Srivastava National Institute of Public Finance and Policy, New Delhi.	Member
16.	Shri R.S. Pandey, Joint Secretary (DPEP) Department of Education, New Delhi.	Member

17. Shri Abhimanyu Singh, **Member**
Joint Secretary (EE)
Department of Education
New Delhi.

18. Shri Amarjeet Sinha **Member Secretary**
Director (EE)
Department of Education
New Delhi.

TERMS OF REFERNCE OF THE GROUP

a) To examine the financial requirements of the states / uts with reference to the status of UEE in the context of proposed folow-up legislation on compulsory education by the States/uts;

b) to identify the existing financial resources of the States/uts and suggest measures for mobilising additional resources and

c) to determine suitable sharing arrangement of financial requirements between the Central and State Governments.

ANNEXURE-II

ASSESSING FINANCIAL REQUIREMENTS FOR UNIVERSALISING ELEMENTARY EDUCATION

Expenditure Head	NORM	COST AND INVESTMENTS	ADDL. REOT. OF FUNDS (Rs. in crores)
1. ACCESS AND RETENTION NON RECURRENT COSTS			
A1 Construction of schools with community supervision	Provision of a class room for every 30 children at Primary stage plus at least two rooms in the newly established 1.76 primary schools irrespective of numbers. Provision of a classroom for every 30 children at upper primary stage, at least three rooms in every newly established upper primary school on a norm of one upper primary school for every two primary schools and a Head master's Room.	Rs.75,000/- per classroom. This would provide savings for facilities like drinking water, toilets, playground if implemented with community support. It could even be used for renovation of existing school infrastructure where necessary. Current investment under Ministry of Rural Areas & Employment, DPEP and other sources are likely to provide nearly Rs. 4000 crores.	P- 18692.92 UP - 13526.00 Total adjusted amount Rs.26,250*

A2 Provision of school equipments by decentralised procurement.	Provision of school equipments by decentralised procurement as per operation Blackboard norms for all newly established primary and upper primary schools (Existing schools have been covered/would be covered under ongoing OB scheme)	A2P – At the rate of Rs.10,000/- for new primary schools A2UP – at the rate of Rs.50,000/- for new upper primary schools.	P - 176.52 UP- 1,029.64 Total 1206.16 Total adjusted Amount Rs.1206*
A3 Establishment of new DIETs and upgradation of existing DIETs	• Upgradation of 50% of existing DIETs • New DIETs in uncovered districts	• Rs.1.5 crore for the establishment of a new DIET • Rs. 50 lakhs for upgradation of DIETs	280.00 Total adjusted Amount Rs.280
A4 Establishment of Cluster centres	• One lead school out of every 10 schools	Rs. 15,000 cluster	169.12 Total adjusted Amount Rs.169
A5 Estb. Of Block Resource Centres Centres	• One per Block	• Rs. 7 lakhs	350.00 Total adjusted Amount Rs.350.00

2.ACCESS AND RETENTION RECURRENT COSTS			
A6 TEACHERS SALARIES	Provision of Primary school teachers at the rate of 1:30 children and provision of 2 primary school teachers in all new primary schools irrespective of number of children. Provision of one teacher in upper primary school for every 30 children and at least three teachers in all newly established upper primary schools.	After revision of State Pay scales after the fifth Central Pay Commission, salaries of primary school teachers have been taken as Rs.5000/- per month (A6p) and of upper primary school teachers at Rs. 6000/- per month). (A6 UP) Provision under OBB, DPEP, State Plans to provide nearly Rs.1000 crores annually	P- 13,499.50 UP - 9,185.72 Total 21,685.22 Total adjusted Amount Rs.18,000*
A7 TEACHERS' SUPPORT MATERIALS AND AIDS	• For all primary and upper primary school teachers.	A7p – at the rate of Rs.500/- per primary school teacher per year and at the rate of Rs.700/- per school per Upper Primary Schools. (A7 UP)	P - 205.92 UP - 173.78 Total 379.70 Total adjusted Amount Rs. 320*
A8 MAINTENANCEA ND REPAIR OF SCHOOL INFRA STRUCTURE WITH COMMUNITY SUPPORT	Creation of Maintenance fund for all primary and upper primary schools to be operated with community support.	A8p – at the rate of Rs.3000/- per year for every primary school and Rs.5000/- per year for every upper primary school. Adjustments for support under DPEP	P - 225.49 UP - 187.91 Total 413.40 Total adjusted Amount Rs. 350*

A9 Provision for sustainable replacement/repair maintenance of school equipment.	Provision for sustainable replacement/repair maintenance of school equipment provided under OB to primary and upper primary schools.	A9p- at the rate of Rs.3000/- per year for every primary school and at Rs.5000/- per year for every upper primary school. Adjustment for support under DPEP	P - 225.49 Up - 187.91 Total 413.40 Total adjusted Amount Rs. 350 crore*
A10 – Salaries of DIET staff	As per staff and salary norms of DIETs	Rs. 40 lakhs per annum	11.20 Total adjusted Amount Rs 11.00
A11 Salaries of Block level institutions	One Coordinator, one desk, and one grade-IV employee	Rs. 14500 per month	Rs. 87 Total adjusted Amount Rs 87 crore
II. ACCESS AND RETENTION : SPECIAL NEEDS ION RECURRENT COSTS			
B1 ntegrated Education for Disabled children	• Aids for disabled children as per Govt. norm and assuming a 4% incidence of disability among children	Rs. 3000/- per student	P - 1419.12 UP-892.80 Total 2311.92

	ACCESS AND RETENTION : SPECIAL NEEDS **RECURRENT COSTS**			
B2	Teachers disabled Children for	Normal, Salary plus additional honorarium for qualified teachers	Additional honorarium and specially recruited teachers – salary under Teacher Salary Head. Additional honorarium @ Rs.6000/- per year over and above salary.	P - 450.99 UP-225.49 Total 676.48 Total adjusted Amount Rs.676.00
III	**ACCESS AND RETENTION : INCENTIVES** **RECURRENT COSTS**			
C1	Free Uniforms	• Two uniforms per year per student for children from families below poverty line (50% of total)	• Rs. 250/- per student • C1p - for Primary • C1 UP • States are currently providing total up to approx. Rs. 200 crores annually	P - 1478.25 UP- 930.87 Total 2409.12 Total adjusted Amount Rs.2200*
C2	– Mid-day Meals	@ 3 kilograms of wheat/rice per student for 10 months to all children below poverty line (50% of total)	• Rs. 200 per student • C2p – for Primary • C2 UP • Central Government provides nearly 1200 crores	P - 1182.6 Up - 744.7 Total 1927.3 Total adjusted Amount Rs.700*
C3	– Scholarship	• Per year per student to be provided to all children from Below poverty line families (50% of total enrolled children)	• Rs. 250/- per student • C3p • C3 UP • States are currently providing approximately Rs 250 crores	P - 1478.25 UP - 930.87 Total - 2409.12 Total adjusted Amount Rs.2150* crores

C4 – Teaching .Learning Equipments for students	• Per student per year to be provided to all students	• Rs. 80/- for primary schools. • C4p C4 UP – Rs. 150/- for upper primary students.	P - 946.08 UP-1117.05 Total 2063.13 Total adjusted Amount Rs.1500*
RECURRENT COSTS			
ılum and Text Book ment	• Lumpsum provision	• Rs. 15 lakhs per State.	4.80 Total adjusted Amount Rs.5.00
COSTS			
	• Every year • Currently nearly Rs.62 crores annually is available for in service training	Rs. 70 per day per teacher for 10 days per year D2p – Primary D2UP - upper primary	P-238.30 UP-173.78 Total 462.08 Total adjustment Rs.400 *
..ıas	• Monthly meetings at cluster level	@ Rs. 10,000 per year per cluster	112.74

D4 Community Based Monitoring Supervision and Research	• Per district per year	• Rs.20 lakhs per district	95.20
D5 – Advocacy – Environment building and Mobilisation	• Per district per year	• Rs. 20 lakhs per district.	95.20
D6 – Classroom observations by Resource persons	• 6 visits to each primary and upper primary school in a year	• Rs. 300/- per visit per person (to cover cost of travel, stationery, honorarium)	P - 135.30 UP-67.64 Total 202.94

*Adjustments have been made on two counts - I) Expenditure incurred between 1993 and 1997 - 98.

II) Assumptions regarding exenditure that would be incurred under the on going programmes of UEE

TOTAL ANNUAL RECURRING COST (TENTH YEAR) Rupees 27,250 crores

TOTAL NON-RECURRING COST (FOR TEN YEARS) Rupees 30,572 crores

RESOURCE REQUIREMENTS FOR PRIMARY AND UPPER PRIMARY

(IN RUPEES CRORE)

YEAR	PRIMARY RECURRING	PRIMARY NON RECURRING	UPPER PRIMARY RECURRING	UPPER PRIMARY NON RECURRING
1998 - 99	51.41	0	48.59	0
1999-2000	764.29	1000	735.71	1000
2000-2001	2040.07	1500	1959.93	1500
2001 - 2002	3060.10	2000	2939.90	2000
2002 - 2003	4334.45	2000	4165.55	2000
2003 - 2004	5100.17	2000	4899.83	2000
2004- 2005	6630.08	2000	6369.92	2000
2005 - 2006	8160.27	2000	7839.73	2000
2006 - 2007	10198.95	2000	9801.05	2000
2007 - 2008	13896.92	591.60	13353.08	980.40
TOTAL	54236.71	15091.6	52113.29	1548.40

TOTAL REQUIREMENT FOR PRIMARY IS RUPEES 69,328.31 CRORE
TOTAL REQUIREMENT FOR UPPER PRIMARY IS RS. 67,593.69 CRORE

STATE WISE REQUIREMENTS

The requirements for the states have been costed component wise. The Non recurring expenditures have been projected for the ten year period. The recurring expenditure however, are projected annually for the terminal year of UEE, fifth in the case of states that have more than 80 percent Net Enrolment Ratio and tenth in the case of educationally backward states. These assessments have to be adjusted for the investments made in the 1993 - 97 period. Expenditure on salaries have also to be adjusted according to state specific scales. It has been assumed that Primary means Class I - V, even though state to state there are variations. Similarly, it has been assumed that Upper primary means Class VI - VIII even thougn there are state to state variations. Salaries would have to be reworked in the light of state specific agreements with Teacher Associations in the light of the Fifth Central Pay Commission recommendations.

Additional Requirement at Primary Level

S.No.	State	Uncovered children in 2001 (in lakhs)	Schools	Classrooms	Teachers	Districts	Blocks	Cluster	DIETs
1	Andhra Pradesh	24.07	7189	179571	176757	23	330	5638	
2	Arunachal Pradesh	0.69	1940	3550	4165	11	36	319	
3	Assam	10.81	3561	69421	40887	23	218	3470	
4	Bihar	61.78	13410	356507	329788	42	727	6606	
5	Goa	0.68	93	2071	2058	2	11	112	
6	Gujarat	12.34	518	148925	141120	19	218	1468	
7	Haryana	6.63	211	66594	68616	16	111	567	
8	Himachal Pradesh	2.00	14197	16727	13267	12	75	2193	
9	J & K	3.87	1636	48033	25116	14	119	1202	
10	Karnataka	14.85	7990	156467	132429	20	175	3016	
11	Kerala	1.09	1330	56686	31785	14	150	825	
12	Madhya Pradesh	41.92	12700	147989	137176	45	359	9139	
13	Maharasntra	16.55	11432	243722	203291	30	338	6272	
14	Manipur	0.88	410	0	0	9	31	344	
15	Meghalaya	1.31	444	3441	3884	3	12	367	
16	Mizoram	0.27	0	0	0	8	20	105	
17	Nagaland	0.57	61	370	318	7	12	146	
18	Orissa	11.54	7094	30847	0	13	314	3010	
19	Punjab	3.64	1571	48481	40710	12	138	1465	
20	Rajasthan	31.26	16739	128633	136727	27	237	4953	
21	Sikkim	0.30	359	350	0	4	4	89	
22	Tamil Nadu	6.07	333	92070	77769	21	385	3095	
23	Tripura	1.88	625	10876	5558	3	17	170	
24	Uttar Pradesh	37.57	30037	371356	465591	63	901	12913	
25	West Bengal	37.19	4795	251153	213506	17	341	5082	
26	A & N Islands	0.21	399	307	1004	2	3	48	
27	Chandigarh	0.40	4	337	1335	1	1	31	
28	D & N Haveli	0.11	23	35	129	1	1	21	
29	Daman & Diu	0.07	1	31	81	1	1	31	
30	Delhi	1.42	1	17731	12256	9	9	200	
31	Lakshadweep	0.04	11	80		1	1	21	
32	Pondicherry	0.52	181	1099	1348	4	4	131	
	All India	377.33	234937	3183833	2249917	474	3654	73231	

Additional Requirement at Primary Level

No.	State	A1	A2	A3	A4	A5	A6	A7	A8
1	Andhra Pradesh	1346.78	7.19	1080.00	.46	23.10	1060.54	14.18	16.91
2	Arunachal Pradesh	23.62	.03	50.00	0.48	3.92	24.99	0.36	0.96
3	Assam	520.65	5.88	410.00	.20	15.26	244.12	6.08	10.41
4	Bihar	2673.80	13.38	350.00	.90	50.89	1978.73	22.57	19.81
5	Goa	13.53	0.09	10.00	0.17	0.77	12.35	0.25	0.56
6	Gujarat	1116.93	.09	00.00	2.20	15.26	346.72	3.90	4.40
7	Haryana	499.45	0.52	164.00	0.85	7.77	411.70	4.32	1.70
8	Himachal Pradesh	125.45	4.19	24.00	0.29	5.11	97.60	2.02	6.58
9	J & K	360.25	2.96	30.00	1.30	3.33	56.70	2.41	3.60
10	Karnataka	1173.50	7.93	00.00	4.25	12.25	794.57	10.02	9.04
11	Kerala	425.14	.55	78.00	1.24	10.50	190.71	4.99	2.47
12	Madhya Pradesh	1109.92	13.66	980.00	13.71	32.13	323.05	17.58	27.41
13	Maharashtra	1827.91	11.43	020.00	7.91	20.86	1249.75	13.32	15.81
14	Manipur	0.00	0.41	16.00	0.52	2.17	0.00	0.52	1.03
15	Meghalaya	33.31	.57	20.00	0.35	2.24	14.78	0.63	1.70
16	Mizoram	0.00	0.07	34.00	0.16	.40	0.00	0.19	0.31
17	Nagaland	.27	0.16	04.00	0.22	.34	3.71	0.37	0.43
18	Orissa	331.35	12.95	390.00	.32	21.98	0.00	7.52	15.03
19	Punjab	363.61	.57	34.00	.19	.66	364.26	5.30	4.39
20	Rajasthan	949.75	16.25	770.00	7.43	16.59	940.36	12.60	14.85
21	Sikkim	4.87	0.35	0.00	0.13	0.28	0.00	0.14	0.26
22	Tamil Nadu	690.52	0.62	50.00	.64	26.95	-66.61	9.70	9.28
23	Tripura	31.57	.66	0.00	0.55	.89	51.35	0.93	1.11
24	Uttar Pradesh	3538.92	2.70	150.00	19.37	63.07	2733.54	37.78	38.73
25	West Bengal	1388.65	11.97	290.00	0.12	20.87	379.03	16.00	18.24
26	A & N Islands	7.55	0.27	.00	0.07	0.35	6.02	0.09	0.13
27	Chandigarh	13.18	.00	.00	.007	0.00	15.39	0.15	0.01
28	D & N Haveli	4.61	0.09	0.00	0.03	0.07	3.77	0.04	0.06
29	Daman & Diu	2.54	0.00	.00	007	0.14	0.89	0.02	0.01
30	Delhi	163.09	.04	08.00	0.30	0.00	21.59	2.42	0.60
31	Lakshadweep	.12	0.00	.00	003	.49	0.00	.01	0.006
32	Pondicherry	15.06	.06	.00	.05	0.42	3.89	0.19	0.10
	All India	18871.90	77.31	3002.00	.027	01.36	10302.72	23.60	225.936

S.No.	State	A9	A10	A11	B1	B2	C1
1	Andhra Pradesh	16.91	81.35	5.74	99.56	33.82	103.71
2	Arunachal Pradesh	0.96	13.30	0.97	1.38	1.92	1.96
3	Assam	10.41	53.74	3.79	41.70	20.82	43.43
4	Bihar	19.81	179.21	12.64	157.75	39.63	164.32
5	Goa	0.56	0.84	0.19	1.73	0.67	1.86
6	Gujarat	4.40	53.74	3.79	53.73	8.80	56.38
7	Harvana	1.70	3.42	1.93	30.92	3.40	32.21
8	Himachal Pradesh	6.58	6.28	1.27	8.44	13.15	9.83
9	J & K	3.60	29.33	2.07	16.29	7.21	16.97
10	Karnataka	9.04	43.14	3.04	69.36	18.09	72.25
11	Kerala	2.47	11.63	2.35	35.42	4.95	36.90
12	Madhya Pradesh	27.41	113.14	7.08	119.88	54.83	124.87
13	Maharashtra	15.81	82.87	5.18	127.77	31.63	133.10
14	Manipur	1.03	2.37	0.54	3.58	2.06	3.73
15	Meghalaya	1.70	7.09	0.56	3.98	3.40	4.15
16	Mizoram	0.31	1.53	0.35	1.34	0.62	1.40
17	Nagaland	0.43	2.14	0.90	2.60	0.88	2.71
18	Orissa	15.03	77.40	5.36	49.48	30.06	51.55
19	Punjab	4.39	10.40	2.40	35.95	8.79	33.70
20	Rajasthan	14.85	68.42	4.12	84.67	29.71	88.41
21	Sikkim	0.26	0.00	0.06	0.85	0.53	0.89
22	Tamil Nadu	9.28	39.45	6.70	89.63	18.57	72.53
23	Tripura	1.11	3.66	0.47	6.12	2.22	6.37
24	Uttar Pradesh	38.73	222.34	15.58	256.68	77.47	267.37
25	West Bengal	18.24	83.81	5.23	110.94	36.48	115.56
26	A & N Islands	0.13	0.00	0.03	0.36	0.27	0.58
27	Chandigarh	0.01	0.00	0.00	1.06	0.03	1.11
28	D & N Haveli	0.06	0.00	0.01	0.27	0.12	0.28
29	Daman & Diu	0.01	0.00	0.03	0.18	0.02	0.19
30	Delhi	0.60	1.06	0.00	17.17	1.20	18.20
31	Lakshadweep	0.006	0.00	0.12	0.20	0.01	0.10
32	Pondicherry	0.10	0.00	0.10	1.31	0.21	1.41
	All India	325.94	1121.03	83.98	42	451.87	1488.03

S.No.	State	C2	C3	C4	D1	D2
1	Andhra Pradesh	82.97	103.71	66.37	0.15	19.86
2	Arunachal Pradesh	1.57	1.96	1.25	0.15	0.51
3	Assam	34.75	43.43	27.80	0.15	8.52
4	Bihar	131.46	164.32	105.17	0.15	31.61
5	Goa	1.49	1.86	1.19	0.15	0.35
6	Gujarat	53.11	66.38	42.48	0.15	12.46
7	Harvana	25.77	32.21	20.61	0.15	6.05
8	Himachal Pradesh	7.37	9.83	5.29	0.15	2.83
9	J & K	13.58	16.97	10.86	0.15	3.37
10	Karnataka	57.80	72.25	46.24	0.15	14.04
11	Kerala	29.52	36.90	23.61	0.15	8.99
12	Madhya Pradesh	99.90	124.87	79.92	0.15	24.61
13	Maharashtra	106.48	133.10	85.18	0.15	25.65
14	Manipur	2.99	3.73	2.39	0.15	0.73
15	Meghalaya	3.32	4.15	2.65	0.15	0.88
16	Mizoram	1.12	1.40	0.89	0.15	0.27
17	Nagaland	2.17	2.71	1.73	0.15	0.52
18	Orissa	31.24	31.55	32.99	0.15	10.52
19	Punjab	26.96	33.70	21.57	0.15	7.43
20	Rajasthan	70.73	88.41	56.58	0.15	17.64
21	Sikkim	0.71	0.89	0.57	0.15	0.19
22	Tamil Nadu	58.03	72.53	46.24	0.15	13.58
23	Tripura	3.10	3.37	4.08	0.15	1.31
24	Uttar Pradesh	213.90	267.37	171.12	0.15	52.90
25	West Bengal	92.45	115.56	73.96	0.15	22.41
26	A & N Islands	0.47	0.58	0.38	0.15	0.13
27	Chandigarh	0.89	1.11	0.71	0.15	0.21
28	D & N Haveli	0.23	0.28	0.18	0.15	0.06
29	Daman & Diu	0.15	0.19	0.12	0.15	0.04
30	Delhi	15.56	13.20	11.64	0.15	3.40
31	Lakshadweep	0.03	0.10	0.06	0.15	0.02
32	Pondicherry	1.10	1.21	0.90	0.15	0.27
	All India	1222.32	1478.03	945.73	4.80	339.36

S.No.	State	D3	D4	D5	D6
1	Andhra Pradesh	5.64	4.60	4.60	10.15
2	Arunachal Pradesh	0.32	2.20	2.20	0.57
3	Assam	3.47	4.60	4.60	6.25
4	Bihar	6.60	3.40	8.40	11.89
5	Goa	0.11	0.40	0.40	0.20
6	Gujarat	1.46	3.80	3.80	2.64
7	Harvana	0.56	3.20	3.20	1.02
8	Himachal Pradesh	2.19	2.40	2.40	3.95
9	J & K	1.20	2.80	2.80	2.16
10	Karnataka	3.01	4.00	4.00	5.43
11	Kerala	0.82	2.80	2.80	1.48
12	Madhya Pradesh	9.13	0.00	9.00	16.45
13	Maharashtra	5.27	6.00	[illegible]	9.49
14	Manipur	0.34	1.60	1.60	0.62
15	Meghalaya	0.56	1.00	1.00	1.02
16	Mizoram	0.10	0.60	0.60	0.19
17	Nagaland	0.15	1.40	1.40	0.26
18	Orissa	5.01	2.60	2.60	9.01
19	Punjab	1.46	2.40	2.40	2.63
20	Rajasthan	4.95	5.40	5.40	8.91
21	Sikkim	0.09	0.80	0.80	0.16
22	Tamil Nadu	3.09	4.20	4.20	5.57
23	Tripura	0.37	0.60	0.60	0.67
24	Uttar Pradesh	12.91	12.60	12.60	23.24
25	West Bengal	6.08	3.40	3.40	10.96
26	A & N Islands	0.04	0.40	0.40	0.08
27	Chandigarh	0.005	0.20	0.20	0.008
28	D & N Haveli	0.02	0.20	0.20	0.04
29	Daman & Diu	0.005	0.40	0.40	0.008
30	Delhi	0.02	1.80	1.80	0.36
31	Lakshadweep	0.003	0.20	0.20	0.003
32	Pondicherry	0.20	0.80	0.80	0.07
	All India	75.183	74.80	84.60	135.48

Additional Requirement of Upper Primary

S.No.	State	Uncovered children in 2001 (in lakhs)	Schools	Classrooms	Teachers	A1	A2	A3	A4	A5
1	Andhra Pradesh	28.75	23462	185502	146713	1391.27	102.28		4.23	1497.79
2	Arunachal Pradesh	0.29	1257	1916	29	14.39	6.48		0.24	21.11
3	Assam	9.38	114	54926	23362	411.96	0.57		2.60	415.13
4	Bihar	80.58	1..157	240083	180207	1800.65	95.98		4.95	1901.58
5	Goa	0.48	6..	3232	2546	24.24	2.23		0.08	26.55
6	Gujarat	10.79	0	0	0	0.00	0.00		0.11	0.11
7	Haryana	4.25	1.05	38488	30052	4.52	6.02		0.42	10.96
8	Himachal Pradesh	1.40	5880	23456	10856	175.92	49.30		1.64	226.86
9	J & K	1.80	3000	12470	0	93.53	15.03		0.90	109.46
10	Karnataka	13.23	6	19593	4473	146.95	0.00		2.26	149.21
11	Kerala	0.00	1..	11768	6711	88.26	5.65		0.62	94.53
12	Madhya Pradesh	31.02	3....	169884	165223	1229.13	131.84		6.85	1367.82
13	Maharashtra	12.78	5...	104633	34712	784.77	28.93		3.95	815.68
14	Manipur	0.35	1..	1280	0	9.60	5.03		0.26	14.89
15	Meghalaya	0.56	1..	4169	1112	31.27	9.92		0.42	41.61
16	Mizoram	0.19	0	0	0	0.00	0.00		0.08	0.08
17	Nagaland	0.17	217	854	0	6.41	1.58		0.11	8.1
18	Orissa	11.20	1....	71043	48676	532.82	64.76		3.76	601.34
19	Punjab	3.53	4783	43721	39774	365.40	23.91		1.10	390.44
20	Rajasthan	13.03	12122	81373	53030	610.3	60.61		3.71	674.62
21	Sikkim	0.20	322	745	0	5.59	1.64		0.06	7.29
22	Tamil Nadu	7.50	1....	92253	62486	691.9	49.41		2.32	743.63
23	Tripura	0.81	1415	7233	2744	54.26	7.07		0.28	61.61
24	Uttar Pradesh	72.90	44313	415333	355034	3115.47	223.24		9.68	3348.39
25	West Bengal	24.88	27252	203365	177439	1525.24	136.26		4.56	1666.06
26	A & N Islands	0.13	181	604	176	4.53	0.92		0.03	5.48
27	Chandigarh	0.23	1	1310	1275	9.82	0.095		0.00	9.83
28	D & N Haveli	0.05	22	83	0	0.62	0.29		0.01	0.92
29	Daman & Diu	0.05	4	164	169	1.23	0.02		0.00	1.253
30	Delhi	2.43	411	19570	16598	146.28	2.20		0.15	147.63
31	Lakshadweep	0.03	8	0	0	0.00	0.03		0.00	0.03
32	Pondicherry	0.36	63	1100	653	8.25	0.31		0.02	8.58
	All India	383.45	2....	1805039	1312083	13567.79	1029.555		85.41	14368.572

S.No	State	A6	A7	A8	A9	A10	A11
1	Andhra Pradesh	1056.33	13.79	14.10	14.10		
2	Arunachal Pradesh	0.20	0.17	0.79	0.79		
3	Assam	168.20	5.01	8.67	8.67		
4	Bihar	1297.49	19.67	16.51	16.51		
5	Goa	18.28	0.23	0.28	0.28		
6	Gujarat	0.00	7.84	0.36	0.36		
7	Haryana	259.57	3.50	1.41	1.41		
8	Himachal Pradesh	78.16	1.20	5.48	5.48		
9	J & K	0.00	1.57	3.00	3.00		
10	Karnataka	32.20	8.70	7.54	7.54		
11	Kerala	48.32	4.21	2.06	2.06		
12	Madhya Pradesh	757.60	14.22	22.84	22.84		
13	Maharashtra	249.92	14.81	13.98	13.18		
14	Manipur	0.00	0.38	0.86	0.86		
15	Meghalaya	8.00	0.37	1.41	1.41		
16	Mizoram	0.00	0.18	0.26	0.26		
17	Nagaland	0.00	0.25	0.36	0.36		
18	Orissa	350.47	6.29	12.52	12.52		
19	Punjab	286.37	3.57	3.66	3.60		
20	Rajasthan	382.24	10.13	12.38	12.38		
21	Sikkim	0.00	0.10	0.22	0.22		
22	Tamil Nadu	449.61	8.88	7.73	7.73		
23	Tripura	19.75	0.58	0.92	0.92		
24	Uttar Pradesh	2556.24	31.90	32.28	32.28		
25	West Bengal	1277.56	13.90	15.20	15.20		
26	A & N Islands	1.28	0.06	0.11	0.11		
27	Chandigarh	9.18	0.11	0.01	0.01		
28	D & N Haveli	0.00	0.02	0.05	0.05		
29	Daman & Diu	1.36	0.02	0.01	0.01		
30	Delhi	133.90	1.83	0.50	0.50		
31	Lakshadweep	0.00	0.01	0.005	0.005		
32	Pondicherry	4.70	0.17	0.09	0.09		
	All India	**9446.93**	**173.67**	**185.60**	**184.74**		

S.No.	State	B1	B2	C1	C2	C3	C4
1	Andhra Pradesh	70.[illegible]	16.91	73.87	59.10	73.87	88.65
2	Arunachal Pradesh	0.86	0.98	0.90	0.72	0.90	1.08
3	Assam	25.80	10.41	26.87	21.50	26.87	32.25
4	Bihar	101.18	19.81	105.40	84.32	105.40	126.48
5	Goa	1.22	0.33	1.27	1.02	1.27	1.53
6	Gujarat	40.34	0.44	42.02	33.62	42.02	50.43
7	Haryana	18.02	1.70	18.77	15.02	18.77	22.53
8	Himachal Pradesh	6.16	6.58	6.43	5.15	6.43	7.72
9	J & K	8.10	3.60	8.43	6.75	8.43	10.12
10	Karnataka	44.73	9.04	46.60	37.28	46.60	55.92
11	Kerala	21.67	2.48	22.57	18.06	22.57	27.09
12	Madhya Pradesh	73.15	27.42	76.20	60.96	76.20	91.44
13	Maharashtra	76.21	15.82	79.38	63.51	79.38	95.26
14	Manipur	1.95	1.03	2.03	1.63	2.03	2.44
15	Meghalaya	1.93	1.70	2.01	1.61	2.01	2.41
16	Mizoram	0.86	0.32	0.90	0.71	0.90	1.08
17	Nagaland	1.32	0.44	1.37	1.10	1.37	1.65
18	Orissa	32.32	15.03	33.67	26.94	33.67	40.41
19	Punjab	18.36	4.40	19.12	15.30	19.12	22.95
20	Rajasthan	52.10	14.86	54.27	43.42	54.27	65.13
21	Sikkim	0.52	0.27	0.55	0.44	0.55	0.66
22	Tamil Nadu	45.68	9.28	47.58	38.07	47.58	57.10
23	Tripura	3.00	1.11	3.12	2.50	3.12	3.75
24	Uttar Pradesh	164.07	38.74	170.91	136.73	170.91	205.09
25	West Bengal	71.52	18.24	74.50	59.60	74.50	89.40
26	A & N Islands	0.30	0.14	0.33	0.27	0.33	0.40
27	Chandigarh	0.61	0.01	0.63	0.51	0.63	0.76
28	D & N Haveli	0.13	0.06	0.13	0.11	0.13	0.17
29	Daman & Diu	0.12	0.01	0.12	0.10	0.12	0.15
30	Delhi	9.42	0.60	9.81	7.85	9.81	11.77
31	Lakshadweep	0.06	0.006	0.06	0.05	0.06	0.08
32	Pondicherry	0.87	0.11	0.91	0.73	0.91	1.09
	All India	**893.52**	**221.656**	**930.73**	**744.68**	**930.73**	**1116.97**