

REPORT OF THE WORKING GROUP

ON RESOURCES FOR EDUCATION

(INCLUDING ART AND CULTURE

AND YOUTH AFFAIRS AND SPORTS

FOR THE EIGHTH FIVE PLAN

( 1990 - 1995 )

REPORT OF THE WORKING GROUP ON RESOURCES FOR EDUCATION

(INCLUDING ART AND CULTURE AND YOUTH AFFAIRS

AND SPORTS

INTRODUCTION

The Planning Commission set up this Working Group vide its Order No. M12016/1/88Edn. dated 16.8.88 and 6.9.88. The composition of the Working Group is as under:

1. Shri J.Veera Raghavan Chairman  
Secretary  
Ministry of Human Resource Development  
New Delhi.
2. Shri P.D.Mukherji  
Adviser  
Planning Commission  
New Delhi.
3. Officer from Ministry of Finance  
Department of Insurance  
North Block  
New Delhi
4. Officer from Ministry of Finance  
Department of Banking  
North Block  
New Delhi.
5. Officer from Ministry of Finance  
Deptt. of Economic Affairs  
External Assistance Division  
North Block  
New Delhi.
6. Dr. Reddy  
National Institute of Public Finance Policy  
1B/2, Satsang Vihar area,  
Special Institutional Area,  
New Delhi.
7. Prof. S.Guhan,  
Madras Institute of Development Studies  
Madras.

8. Shri Kshirsagar  
General Manager (Resources)  
Housing Development Finance Cor.  
Backbay reclamation  
Bombay.
9. Prof. P.R.Panchmukhi,  
Director,  
Indian Instt. of Education  
128/2, Off Karve Road  
Pune.
10. Shri M.R.Kolhatkar,  
Adviser (Education)  
Planning Commission  
New Delhi.
11. Dr. J.L.Azad,  
B 2/98, Safdar Jung Enclave  
New Delhi.
12. Shri Vaidyanathan Iyer,  
Education Secretary  
Andhra Pradesh  
Hyderabad.
13. Dr. M.L.Mehta  
Joint Secretary  
University Grants Commission  
New Delhi.
14. Prof. B.S. Sharma,  
Pro-Vice Chancellor  
Indira Gandhi Open University  
New Delhi.
15. Prof. K.R.Shah  
Deptt. of Commerce,  
M.S.University of Baroda  
Vadodara (Gujarat).
16. Shri M.N.Majumdar,  
Chief General Manager,  
State Bank of India  
(Local head office)  
New Delhi.
17. Shri B.D.Shah  
General Manager (Investment)  
General Insurance Company  
Assurance Building  
Church gate Bombay.
18. Shri G.Chidambaram  
Executive Director (Investment)  
Life Insurance Corporation

19. Shri M.M.Ansari,  
Project Director,  
Association of Indian Universities,  
16, Kotla Marg  
New Delhi.
20. Special Invitees  
  
Shri Anil Bordia,  
Secretary (Education)  
Deptt. of Education  
Shastri Bhavan  
New Delhi.
21. Shri M.Vardarajan  
Secretary (Culture)  
Deptt. of Culture  
Shastri Bhavan  
New Delhi.

INVITEES

22. Shri V.D.Sharma,  
Senior Research Officer  
Planning Commission  
New Delhi.
23. Shri K.K.Khullar Member-Convener  
Consultant HRD  
Shastri Bhavan  
New Delhi.

With the permission of the Chairman the following officers were also invited to attend the meeting:

OTHER INVITEES

24. Dr. C.B.Padmanabhan,  
NIEPA  
New Delhi
25. Dr. G.D. Sharma  
NIEPA,  
New Delhi.
26. Shri S.K.Handa  
Director (T)  
Deptt. of Education  
Shastri Bhavan  
New Delhi.
27. Shri D.K.Manavalan,  
Joint Secretary (Youth)  
Deptt. of Youth Affairs and Sports.  
Shastri Bhavan  
New Delhi.

28. Shri S.C.Sahai,  
Deputy Director ( Plg., )  
Deptt. of Education  
New Delhi.
29. Shri S.C.Seddey,  
Deputy Director (Stat.)  
Deptt. of Education  
New Delhi.
30. Shri Man Mohan Singh  
Joint Secretary (C)  
Deptt. of Culture  
Shastri Bhavan  
New Delhi.

The terms of reference of the Working Group are under:-

1. To take stock of resource position likely to be reached by the end of 1989-90 taking into account the policy directive of NPE regarding investment in Education reaching 6% of the National Income, early as possible and thereafter uniformly exceed the level recommended in 1968 Policy. For purpose of its working, other Working Group may clearly define the terms involved and spell out solutions.
2. To take into account likely requirement of financial outlays for various sectors viz. education, art culture and sports and youth affairs and assess the resource gap on the basis of present trends of allocations.
3. To make proposals for efficient and effective use of a source devoted to education both physical and financial.
4. Keeping in view the resource gap, to make recommendations for the mobilisation of financial resource for education at various levels, local, state and central, both from within the education system and outside the education system including raising of fees and charges, imposition of discriminatory fee introduction of loan scheme, introduction of graduation tax, imposition of cess etc. consistent with the equity and financial prudence.
5. To examine possibility of establishment of education

6. To consider in what way : i) nationalised banks and all India and State level terms lending institutions can participate financially in the process of education development, ii) Housing finance institutions can participate in the programme of construction of faculty housing and school building ; iii) Investment institutions like LIC/GIC/UTA etc. can participate in the programmes of construction of assets in educational sector as part of social investment obligations.
7. To examine the possibility of raising real resources viz. manpower and physical resources from informal sector at low cost for education (viz. retired teachers, knowledgeable old people, unemployed educated youth etc.).
8. To assess resources devoted to education by Corporate Sector (private and public) and suggest ways and means to augment the same including feasible fiscal measures.
9. To assess resources devoted to education by charitable organisations/registered societies etc. and suggest ways and means to augment the same.
10. To examine the possibility of obtaining external funding for various programmes of educational development.
11. To evolve various indicators for measuring efficiency and effectiveness of individual institutions as well as of the educational system and to suggest ways and means for computing such indices, single and composite, on year to year basis.
12. To consider such other matters as the Chairman considers relevant for the purpose of formulation of the Eighth Five Year Plan for development of Resources for Education.
13. To formulate proposals for the Eighth Five Year Plan 1990-95 in the light of above perspective indicating priorities and policies.

The first meeting of the Working Group was held on 5th October, 1988 under the Chairmanship of Shri J.Veera Raghavan, Secretary, Human Resource Development. In the first meeting the scope and the terms of reference of the Working Group were discussed in detail and it was decided to examine :

- a) Possibility of getting loans from the financial insti-

tutions and

- b) The expenditure to which the community participation would be sought with a view to mobilise community resources including inter-alia the levy of education cess.
- c) How far other departments can be made obligatory to contribute to the resources required for education sector.
- d) The possibility of changing the fee structure at various stages in the education sector from the point of view of subsidy and making education self-sufficient particularly at higher stages of education including technical education.

It was decided that for the facility of speedy working four sub-groups should be constituted for in-depth study of various issues.

Sub-group No.1: Financial requirements for educational program including culture and sports for VIIIth Plan.

Convener - Shri P.R.Panchmukhi  
Director,  
Indian Institute of  
Education, Pune.

Sub-group No.II: Resources available from financial institutions

Convener - Shri S.Kanan, JS(Insu  
Ministry of Finance

Sub-group No.III: Internal resources mobilisation and effective use of available resources.

Convener- Shri M.R.Kolhatkar, Adviser (Education),  
Planning Commission

Sub-group No.IV: Efficiency norms in different sectors of education.

Convener - Shri P.D.Mukherji, Adviser(FR), Planning  
Commission

(The Conveners of the Sub-group III and IV were later replaced by Prof. G.D.Sharma, Senior Fello, NIEPA and

The Reports of the four Sub-Groups were received and discussed in a meeting of Convenors of the Sub-Groups on May 5, 1979. The Chairman observed that there were two methods of arriving at the estimates of resources required for a particular sector: one was to wait till the reports of all the Working Groups were finalised and the other is to do it independently. The independent method was always better because it is free from any pre-conditioning or bias.

The Chairman further observed that the inadequacy of resources for education and allied sectors has been the major cause of the non-fulfilment of the Constitutional Directive on universalisation of elementary education. While it is recognised that education is vital for development it is poorly provided for. Had we provided for education properly in the second and the third plans we would not have been facing the situation as existed today. Today's problems are all due to the neglect of education in the earlier plans. In the last plan targets were not reduced while the allocations were drastically reduced. The pattern of allocation must be changed, extraneous allocations eliminated. The Government must re-order its priorities and education must be accorded its due place with



sufficient financial resources with a view to fully implementing the National Policy on Education (1986). Simultaneously the efficiency of system should be improved and non-budgetary resources should be raised for educational development through mobilising donations, raising fees at the higher levels of education and asking the beneficiary communities to share the burden. The Chairman concluded that the allocations in the VIII Plan should be project-based with well conceived norms. After discussion, the Group authorised the Chairman to finalise the Report for the Planning Commission.

After holding a series of meetings the Sub-Group No. 1 estimated Rs. 61,459.09 crores as our requirement for the 8th Five Year Plan for Education, Art & Culture and Youth & Sports. Another exercise undertaken in the Ministry estimated Rs. 49,183.34 crores. These two estimates were discussed in a meeting with the Chairman on 8.6.89.

After discussions, it was decided to further prune the estimates. After a good deal of discussions with Secretary HRD on 16th June, 1989 it is estimated finally that for the proper implementation of the NPE, 1986 and PCA, 1986, without reducing the targets, a sum of Rs. 45,223.86 crores would be required during the next five

years. The full report of the requirements is placed at annexure 1. A comprehensive assessment of the scope of non-budgetary resources in the context of the implementation of the NPE has also been made and is placed at annexure 2.

A summary of the suggestive measures and the main recommendations of the Working Group is given below:-

## SUGGESTIVE MEASURES AND RECOMMENDATIONS

Planning so far has focussed a great deal on financial resources. We must shift the focus of Planning and see it not just a budgetary exercise but as a catalyst for total mobilisation of all real resources.

(ii) There is a greater need for economy and optimal and effective utilisation of resources allocated for education. The institutions need to devise innovative teaching-learning practices so as to reduce the wastage from 60% at present to 30%. Determined efforts at the State and the Central level are absolutely necessary to ensure both. A High Level Committee consisting of Administrators, Educationists and Educational Administrators may be set up in each State as well as the Centre for making surveys for optimal utilisation of existing infrastructure and resources. This would mean efficiency in allocation of resources at the Planning Commission, Ministry of Human Resource Development, UGC and at State level for right purposes and for right type of institutions. Professional back-up machinery be set up in the States for this purpose.

(iii) Cost-Saving-Devices may be adopted to reduce the cost of various programmes through alternative strategies.

(iv) The fee structure should be revised with a view to increasing the fees at the college level and for profess

contribution from fees might be developed to atleast 20% of the resources for education in the States a situation which was in existence in 1950-51. The rate of fees in the universities should be increased by 25%.

(v) There are about 12,000 foreign students in India. Full tuition fee and training cost should be charged from the foreign students.

(vi) There should be a School Fund in every school. This funds would include not only the fees charged from the school but also other fees such as Library fees, Laboratory fee, Games fee, Magazine fee, Building fee. As such fees are in existence in almost all the States. The income thus received from these funds should be kept separately. To this Funds should also be added from voluntary donations and contribution from private bodies and management for specific development purposes. This fund should be utilised only for improvement programmes and not for the payment of teacher's salaries and allowances. The funds should be managed by a Committee consisting of parents, teachers and students with the Head of the Institution as Chairman.

(vii) Higher education and Technical education should be self-financing. To do that education will have to be viewed as involving use of resources (inputs)

which should be necessarily paid for material benefits (outputs). The procedure for raising the entire cost of education from those leaving the country should be devised. For aided institutions the element of competition may be introduced whereby better performing educational institutions be given aid and grants on improved terms.

(viii) Resources should also be mobilised through consultancy and Research work. At present there are poor linkages between institutions of higher education industry and other social organisations. This linkage could be forged by technical and professional institutions by providing consultancy and research work.

(ix) Allocation for resources for administration in universities be reduced to 21-30 per cent. For this purpose modern practice of management and management aids and equipment be used. The allocation of resources for teaching aids and inputs be increased at least 5-6%. The infrastructure and laboratory facilities in general college lie idle after a certain period of time in a day. It is therefore necessary that two or three shifts for use of these facilities be encouraged. Similarly double and triple faculty colleges should be preferred over single faculty colleges. Available human resources of academic administrative and manual nature should be effectively

used. Emphasis should be on non-monetary inputs like better coordination, motivation incentives for work and flexibility in rules and regulations. Along with human resources, efficiency index of the institutions should be developed and implemented.

(x) Loan from financial institutions to educational institutions for educational purposes such as school buildings, hostels, staff quarters should be made available. The Life Insurance Corporation and HDFC have already offered to construct buildings for educational institutions possibly on cost. Servicing of loans could be from the grants received as from the revenue given by housing financial institutions, Life Insurance Corporation etc. to the staff of universities, colleges and schools for purchase of tenements/houses on ownership basis, may have the participation of the employer on lines existing in some public sector companies a employer may subsidise difference in lending rates of loans given by the Government to its employees.

(xi) Community participation at the local level may be activated. This participation can be in cash or in kind, in the form of land or equipment. When the community is motivated to the programmes of education this will automatically improve the enrolment and the retention rates so necessary for the universalisation of Elementary Education by 1995 and eradication of illiteracy by the same year.

(xii) Panchayati Raj institutions and other local institutions should be involved in planning and implementation of Educational programmes and in the resource mobilisation effort. Public and Private Sector Undertakings should be involved in vocational and technical education.

(xiii) Resources should also be mobilised through community and social services. Colleges and universities should be encouraged to undertake community and social surveys like water analysis, food analysis, pathological tests, Electronic repair services, instrumentation services, population education guidance and counselling, social forestry, cultural activities, etc. by charging some fees and retaining it for improvement of the institutions. This will help colleges to establish good relationship with community.

(xiv) Philanthropists should be encouraged to contribute to the cause of education, particularly higher education. Endowment Funds should be created by approaching the alumini of the Institutions/Universities.

(xv) Special Education Cess should be levied by the State Governments. Wherever it already exists it should be increased particularly on all urban property owners. At least 2% of the rental value of the urban property should be taxed and its proceedings should be kept separately for education. Some Cess should also be levied on the sale of agriculture at the time of procurement drive.

(xvi) The possibilities of additional resources through taxation especially from agricultural sector which is relatively undertaxed today should be explored.

(xvii) A levy of 5% on all imports should be imposed as is being done in Pakistan. The proceeds of levy should be earmarked for educational development.

(xviii) Wheat and paddy should be collected at the time of harvesting season and stored. These should be used for providing mid-day meals to students.

(xix) The concept of Zero Based Budgeting should be adopted. Any saving effected through Zero Based Budgeting should be permitted to be used for higher priority programmes. The staff rendered circulars on account of Zero Based Budgeting should be redeployed after satisfying certain prescribed conditions. However, introduction of Zero Based Budgeting would necessitate organisation of intensive training programmes for functionaries of Education Department at all levels in order to acquaint them with the techniques of the new concept.

(xx) A manpower Cess should be levied on industry which requires skilled manpower personnel. This is necessary because education sector produces human resources required by other development sectors.

(xxi) Those programmes of rural development such as IRDP, removal of poverty and employment programmes such as NRED, RLIEGP, ICDS and the recently announced Jawahar Rozgar



Yojna should be closely linked with educational development programmes area-wise and these sectors should set apart a proportion of their budget for Elementary Education and National Literacy Mission.

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ESTIMATES OF FINANCIAL REQUIREMENTS FOR EDUCATION  
(REVENUE AND CAPITAL EXPENDITURE)  
ESTIMATED FOR THE YEAR 2010-11

ESTIMATES OF FINANCIAL REQUIREMENTS FOR EDUCATION (INCLUDING

INTRODUCTION

Implementation of the National Policy on Education (NPE)-1986 started towards the end of 1987-88. From the additional plan outlays allocated for education for the period 1987-91, it is evident that it will not be possible to implement a large number of programmes and schemes arising from NPE mainly due to gross inadequacy of resources during the last three years of the Seventh Plan period. These programmes and schemes will, therefore, have to be continued in the Eighth Five Year Plan requiring substantial outlays.

The present paper is an attempt to make a comprehensive need-based assessment of financial requirements for education (including Art & Culture, Youth Affairs & Sports) for the Eighth Five Year Plan. The paper is divided into 9 sections. While Section 2 gives different methodologies and assumptions adopted for estimating financial resources, in the remaining sections, estimates of financial requirements worked out for various sub-sectors of education for the Eighth Five Year Plan, are presented.

1. METHODOLOGIES AND ASSUMPTIONS ADOPTED FOR

1.1 Methodologies and assumptions adopted for estimating financial requirements for (different sub-sectors of Education (including Art & Culture, Youth Affairs & Sports) for the

Eighth Five Year Plan, are as follows:

- working out year-wise demographic projections and enrolment-wise enrolment projections;
- sub-sector-wise per pupil cost per annum in 1979-80 adjusted at 1979-80 prices, assuming 10% annual increase for estimating direct expenditure;
- working out estimates for construction of educational buildings, based on assumptions concerning covered area and construction cost per sq.ft.;
- working out estimates for incentives to the needy children a year and components of qualitative improvement, assuming expenditure on these items constitutes 5% of the total direct expenditure on education;
- estimating funds needed for backlog of the previous plans in respect of deficiencies in school buildings and provision of teachers based on Fifth All-India Educational Survey data.

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Summary Statement Indicating Estimates of Financial Requirements for Education (including Arts & Culture, Youth Affairs & Sports) for the Eighth Five Year Plan (1990-95).

## 2. ELEMENTARY EDUCATION

2.1 NPE - 1986 envisages universalisation of primary education by 1990 and UPE by 1995. While working out financial requirements for the Eighth Plan, these national targets have been kept in view. Besides, backlog with regard to non-achievement of UPE by the end of the Seventh Plan, has also been taken into consideration.

(a) Primary Stage:

2.2 Population in the age-group 6-10 years in the base and the terminal years of the Eighth Five Year Plan as projected by the Office of the Registrar General of India are reproduced below:

### PROJECTED POPULATION IN THE AGE-GROUP 6-10 YEARS

( In Crores)

<u>Year</u>	<u>Boys</u>	<u>Girls</u>	<u>Total</u>
1989-90	4.999	4.736	9.735
1994-95	5.1965	4.918	10.114

2.3 All children enrolled in primary classes are not necessarily from the age-group of 6-10 years. A large number of these children are either under age or over-age. The problem of children outside the age-group of 6-10 years is particularly serious in rural areas. The extent of over-age and under-age children in relation to the total enrolment at the primary stage has been estimated at 22% for the country as a whole with wide variations in different States. Based on this national average of over-age and under-age children, the estimated enrolment corresponding to the population in 1989-90 and 1994-95 works out to 11.377 crores and 12.339 crores respectively. According to the Seventh Plan document, the

expected enrolment at the primary stage at the end of the Plan period would be 9.590 crores. The additional enrolment to be covered during the Eighth Plan period would, therefore, work out to 2.749 crores (12.339 - 9.590).

2.4 The additional enrolment of 2.749 crores will be covered partly under formal and partly under non-formal stream. According to the Fifth All-India Educational survey, the coverage under non-formal stream at the primary stage as on 30.9.86 was 3.9% of the total number of children enrolled in formal schools and non-formal education centres. NEP - 1986 has laid greater emphasis on non-formal education. The Centrally-sponsored Non-formal Education Scheme has also been revised to extend its scope to urban slums, hilly, desert and other difficult terrain areas all over the country, apart from 10 educationally backward States. It is assumed that the proportion of children enrolled in non-formal education at the primary stage would have risen from 3.9% in 1986 to 10% in the base year of the Eighth Plan i.e. 1989-90. Since we have already reached the bedrock so far as UPE is concerned, the scope of non-formal education will have to be greatly enlarged during the Eighth Plan to cover at least 50% the additional enrolment of 2.749 crores at the primary stage under non-formal education sector. This, in other words means that the burden of enrolment at the primary stage during the Eighth Plan will be shared equally between formal and non-formal education sectors.

2.5 Funds required for coverage under formal sector have been estimated as under:

Item	Estimated Outlay (Rs. in crores)
i) Teacher cost (for additional enrolment of 1.374 crores children) based on per pupil expenditure in 1979-80 adjusted for inflation at 1989-90 prices (Rs.382.20) per pupil expenditure further adjusted assuming teacher cost constitutes 95% of total direct expenditure (Rs.253.00)	1,496.31
ii) Non-teacher cost other than Operation Black Board @ 1% of total direct expenditure	157.51
iii) Indirect expenditure on administration and supervision, quality improvement, stipends, scholarships and other items @ 20% of total expenditure	206.73
iv) Operation Black Board (for assumptions and basis of calculations, see annex-I)	1,513.90
v) Cost of construction of classrooms for additional enrolment @ Rs.55,000 per classroom with a toilet	1,109.45
vi) Cost of construction for backlog schools based on Fifth All-India Educational Survey data	3,855.13
	Total 8,340.03
	( i - vi) -----

2.6 Assuming per pupil expenditure on non-formal education to be 50% of per pupil expenditure on formal education, per pupil expenditure on non-formal education at the primary stage adjusted at 1989-90 prices will be Rs.191.10. Based on this unit cost, financial requirements for 1.375 crores children to be covered under non-formal stream during the Eighth Plan will be Rs.748.28 crores. Assuming 10% of total direct expenditure will be required for meeting non-teacher cost and expenditure on incentives, total requirements of funds for non-formal education sector at the primary stage will amount to Rs.875.87



2.7 Education of the disabled children, who form one of the target groups for UEE, has generally received scant attention in the past. EOL envisages UEE for children with mild disabilities by 1990 and UEE by 1995 along with normal children. The target date for UEE for children with severe disabilities is indicated as 2000 AD. Recognising the need for special schools for severely disabled children, the strategy recommended for providing educational service for those suffering from mild disabilities is integrated education in general schools. The Eighth Plan will have, therefore, to stress on making educational provision for rest of the disabled children in common with others in general schools.

2.8 For viability of provision, the Sub-Group on Special Education and Public Cooperation for the Eighth Plan has recommended composite area approach taking block as the planning unit. For want of demographic projections of the primary school age disabled children suffering from different disabilities of mild and severe nature and data on present level of enrolment of these children as well as per pupil cost of educating them in general and special schools, the Sub-Group on Special Education and Public Cooperation has proposed the following targets for the Eighth Plan: to provide educational service for children with mild disabilities in 400 blocks under the Scheme of Integrated Education for the Disabled Children (IEDC), to establish 400 new special schools one in each district and to strengthen the existing 100 out of 1,000 special schools.

2.9 To achieve these targets, the focus of the Eighth Plan, according to the Sub-Group on Special Education, will have to be on early detection and intervention for preparing the disabled children for education and preparation of the general education system for integrated education of the disabled by way of training teachers and providing supplies of special aids and equipment. Other programmes recommended by the Sub-Group, that will have to be included in the Eighth Plan are : strengthening of the existing special schools so as to make them serve as special education centres, opening of new special schools in those districts where no special schools exist at present, and developing teaching-learning material kits for education of the disabled children in integrated and special settings.

2.10 Based on the norms for financial assistance under IEDC Scheme and estimates of financial requirements worked out by the Sub-Group on Special Education and Public Cooperation, funds required for the Eighth Five Year Plan will be as follows:

(Rs. in crores)

- IEDC cells in 32 States/UTs @ Rs.1.80 lakhs per annum per cell for 5 years (32 x Rs.1.80 lakhs x 5)	2.88
- Salary of existing 8,330 resource teachers @ Rs.2,000 per month for 5 years (8,330 x Rs.2,000 x 12 x 5)	10.00
- Multi-category special teachers - 10 per block (10 x 400 x Rs.2,000 x 12 x 5)	48.00
- Block resource teachers - 3 teachers specialised in one disability each (3 x 400 x Rs.3,000 x 12 x 5)	21.60
- Special education centres/resource centres- 10 per block (10 x 4000 x Rs.45,000)	18.00
- Teaching resource kits for individual schools (40,000 schools @Rs.2,000 each)	8.00

- Equipment, learning materials and other ancillary aids - 100 children per block (400 or 300 in 1, 2, 3, 4 or 5)	120.00
- Special teacher training facilities - multi-category training in all levels and DIETs for State and two DIETs for Jawahar Nishtha (50 DIETs @ Rs. 10 lakhs per DIET)	5.00
- In-service training of special teachers and orientation of general teachers as well as education officers	20.00
- Research and development	10.00
- Media support	10.00
- Opening of 400 special schools - 80 schools per annum @ Rs. 3 lakhs per school	240.00
- Strengthening of existing 100 special schools - 20 schools per annum @ Rs. 9 lakhs per school	18.00
- Assistance to 100 NGOs engaged in early intervention and diagnostic services @ Rs. 5 lakhs per annum per NGO	50.00
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	TOTAL 516.48
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	OR, SAY Rs. 500 crores

2.11 Since IEP is a new programme and very little experience has been gained in its implementation, physical targets and financial outlays proposed by the Sub-Group for this programme appear to be on the high side. An adhoc provision of Rs.100 crores is suggested for the programme for the Eighth Five Year Plan period.

CONTINUING LIABILITY DURING SEVENTH FIVE YEAR PLAN  
IN RESPECT OF THE SCHEM OF APPROPRIATE INCREASE

Assumptions

- Only 60% Blocks/M.A.S. would be covered during the Seventh Five Year Plan
- The remaining 40% would be covered in the first year of the Eighth Plan
- Salary of additional teachers would be borne during the entire period of the Eighth Plan
- Average salary including increments to continuing teachers estimated at Rs.1500/- p.m. and an increase of Rs.50/- p.m. during each subsequent year.

Bases of Calculations

- Number of schools to be covered 2, 11, 756
- Number of additional teachers required to be appointed @ 27.96% 59, 207
- Average rate of equipment per school with 20% escalation of cost (present expenditure is Rs.7, 153) 8, 583
- Requirement on account of Teachers' -salary for:

1st Year (Rs. in crores)

- 40% coverage on an average for 4 months  $(59, 207 \times 12 \times 4)$  35.52
  - Salary of 88,812 continuing teachers- Assumption 8 months average for 20% coverage of 1989-90  $(29, 604 \times 8 \times 1500 + 29, 604 \times 2 \times 12 \times 1500)$  142.09
- 177.61

2nd Year

$(1, 48, 018 \times 12 \times 1550)$  275.31

3rd year

$(1, 48, 018 \times 12 \times 1600)$  284.19

4th Year

$(1, 48, 018 \times 12 \times 1650)$  293.08

5th Year

$(1, 48, 018 \times 12 \times 1700)$  301.96

Requirements for equipment  $(2, 11, 756 \times 8583)$  181.75

Total 1, 513.90

Source: Bureau of Elementary Education, Deptt. of Education, Ministry of HRD.

2.12 To sum up, total financial requirements for primary education for the fifth plan will be of the tune of Rs.9,345.86 crores as per break-up given below:

(Rs. in crores)

i)	Requirements for formal education (including operation Block Board and construction of classrooms for additional and backlog schools)	8,340.03
ii)	Requirements for non-formal education (cost of construction of classrooms excluded on the assumption that either existing formal school buildings will be used or the local community will provide accommodation for holding classes)	875.07
iii)	Requirements for JED	100.00
	Total (i + ii + iii)	9,345.00

(b) Middle Stage

2.13 Population projection for 1994-95 in the age-group 11-14 years, which corresponds to the middle stage of education, works out to 1.22 crores. The projection has been made assuming population in this age-group constitutes 6.8% of the total projected population of 2 crores in 1994-95.

2.14 The problem of over-age and under-age children also affects the middle stage. It has assumed the same attainment rate of 82% for the middle stage. Based on this assumption, the adjusted population figure for the middle stage for 1994-95 is estimated at 7.40 crores.

2.15 According to the Fifth All-India Educational Survey, total enrolment in classes III-VIII in the country was 2.72 crores. Based on information given in the Seventh Plan Mid-term Appraisal, it is estimated that on an average, 19.70 lakh children were added to the middle stage annually during 1985-90.

2.16 Accepting this additionality as the basis, enrolment at the middle stage in the base year of the Eighth Plan would work out to 3.72 crores. Since NEP envisages 100% enrolment of the children of the age-group 11-14 by 1995, the Eighth Plan target of additional coverage at the middle stage would be 3.68 crores (7.40 - 3.72 crores). As in the case of primary stage, for the middle stage too, the load of additional enrolment during the Eighth Plan is assumed to be equally shared between formal and non-formal education sectors.

2.17 Per pupil expenditure for the middle stage (formal) in 1979-80 (the latest year for which figures are available was Rs.195.0). Adjusting for inflation @ 10% per annum, per pupil expenditure at the middle stage at 1979-80 prices is estimated at Rs.259.20. Based on this norm, the cost of formal stage at the middle stage of education during the Eighth Plan works out to Rs.2,256.94 crores.

2.18 Assuming per pupil cost of non-formal stream to be 50% of per pupil cost of formal stream, per pupil expenditure of non-formal stream will be Rs.129.60. Based on this norm, the cost of providing 3,000 crores additional under the non-formal stream during the Eighth Plan will be of the order of Rs.1,103.47 crores.

2.19 Assuming indirect expenditure constitutes 20% of total direct expenditure, the estimates of financial requirement direct and indirect - from the middle stage will be as follows

Estimated Financial Requirement for the Middle Stage (Rs. in crores)			
	Formal	Non-formal	Total
Direct Expenditure	22,206.04	1,103.47	2,310.41
Indirect Expenditure	4,451.67	220.69	4,672.36
<b>Total</b>	<b>26,657.71</b>	<b>1,324.16</b>	<b>28,081.87</b>

2.20 Assuming 300 enrolment as the average school strength at the middle stage (formal), 44,666 new schools will be needed to cover 1,94 crores of additional children during the 8th Plan. Assuming further that each school will have a covered area of about 5000 sq.ft., and the cost of construction will be \$ 16,275 per sq.ft., the cost of building construction for 44,666 schools will be of the tune of Rs.1,45,29 crores.

2.21 According to the Fifth All-India Educational Survey, 4.11% middle schools were without buildings, 2.13% had kachcha buildings and 37.76% had pucca or partly pucca buildings. The number of middle schools in the best year of the 8th Plan is estimated at 1,186 lakhs. If we take into consideration only those middle schools which were without buildings and constituted 4.11% of the total number of middle schools, the number of schools requiring new buildings will be 4863. Based on the above mentioned criteria of construction, the cost of building construction for the middle schools would be Rs. 425.51 crores.

2.22 The estimates of total financial requirements for the middle stage for the 8th Plan are given up below:

ESTIMATED FINANCIAL REQUIREMENTS FOR THE MIDDLE STAGE  
FOR THE PERIOD 1982-83  
(Rs. in crores)

	<u>Formal</u>	<u>Non-formal</u>	<u>Total</u>
Direct Exp.	3,311.91	3,102.47	3,310.41
Indirect Exp.	221.47	191.33	413.80
Cost of building construction			
1. New	5,658.28	-	5,658.28
2. Backlog	425.51	-	425.51
<b>Total</b>	<b>9,637.17</b>	<b>3,293.80</b>	<b>9,730.97</b>
<u>Loss</u>			
Expenditure on curricula covered under National Vidyalaya Scheme	408.54	-	408.54
	<u>9,228.63</u>	<u>3,293.80</u>	<u>9,522.43</u>



ESTIMATED FINANCIAL REQUIREMENTS FOR ELEMENTARY  
EDUCATION FOR THE EIGHTH PLAN

(Rs. in crores)

	<u>Formal</u>	<u>Non-formal</u>	<u>Total</u>
Primary Stage	8, 40.03	878.87	9, 315.90
Middle Stage	8, 158.96	1, 241.46	9, 399.46
<hr/>			
Total (Elementary Education)	16, 598.99	2, 117.27	18, 715.36
<hr/>			

### 3. SECONDARY/HIGHER SECONDARY EDUCATION

#### (a) Secondary Stage

3.1 NPA/POA envisage the following thrusts in secondary/higher secondary education:

- Ensuring access to secondary education through coverage of unserved areas;
- Consolidation of secondary education in other areas;
- Setting up of Navodaya Vidyalayas; and
- Vocationalisation of education at the +2 stage.

While estimating financial requirements for secondary/higher secondary education for the Eighth Plan, these thrusts have been kept in view.

3.2 The goal of widening access to secondary education can be achieved not merely by provision of additional schooling facilities in unserved areas but also by improving the existing transition rate from the middle to the secondary stage which is estimated at about 43%. This estimate is based on gross enrolments at the middle and secondary stages rather than on terminal enrolment of the former and initial enrolment of the latter. Assuming an average annual increase of 1% in the transition rate during the Eighth Plan period, the transition ratio from the middle to the secondary stage will be 46% at the end of the Eighth Plan. Based on this, the projected enrolment at the secondary stage in the Eighth Plan will be as follows:

PROJECTED ENROLMENT AT THE SECONDARY STAGE FOR THE EIGHTH FIVE YEAR PLAN

Year	Enrolment at Middle Stage	Transition Rate (%)	Enrolment at Secondary Stage (figures in crores)
1990-91	3.72	44	1.64
1994-95	7.60	48	3.65

3.3 It will be seen from the above table that the net enrolment load at the secondary stage based on the transition rate of 49% during the Eighth Plan would be 2.01 crores (3.65 - 1.64 crores). According to the Fifth All-India Educational Survey, the enrolment at the secondary stage increased from 0.70 crores in 1973 to 1.15 crores in 1986. This means that on an average, the increase registered per annum was about 6 lakhs. Taking into consideration the pressures likely to be generated by the expansion of elementary education on secondary education enrolment in the coming years and the projected enrolment based on the transition rate of 49%, as indicated above, which appears to be on the high side, we have assumed the net enrolment load at the secondary stage during the Eighth Plan as 1.00 crores. We have further assumed that 90% of this load will be covered under the conventional formal stream and 10% through open schools/correspondence courses.

3.4 Per pupil expenditure at the secondary stage in 1979- (latest year for which data is available) was Rs. 642.01. Assuming 10% inflation rate per annum, per pupil expenditure adjusted for inflation at 1989-90 prices works out to Rs. 1,284.05. Based on this norm, financial requirements for direct expenditure for the secondary stage (formal) for the Eighth Plan are estimated at Rs. 3,466.94 crores. Assuming per pupil expenditure in open schools constitutes 50% of per pupil expenditure in formal secondary schools, funds required for covering 10.00 lakh students through distance education/open schools will amount to Rs. 192.00 crores. Thus total

financial requirements for the secondary stage (both conventional and distance) for direct expenditure for the Eighth Plan will be of the order of Rs. 3,659.54.

3.5 Assuming indirect expenditure constitutes 20% and 10% of total direct expenditure of conventional and distance education respectively, the estimates of financial requirements for indirect expenditure for the secondary stage (conventional and open) will be Rs. 433.37 crores and Rs. 214.45 crores. On an average, assuming 500 enrolment per school at the secondary stage, the number of new high schools to be opened during the Eighth Plan would be 18,000. Assuming further that each new high school will have a covered area of about 7000 sq.ft. and the cost of construction will be @ Rs. 175 per sq.ft., the cost of building construction of 18,000 schools would work out to Rs. 2,205.00 crores.

3.6 The data regarding deficiencies in the existing secondary school buildings is not available. It may be, however, to presumed that buildings of some of the existing secondary schools would need strengthening for which an adhoc provision of Rs. 150 crores is suggested.

3.7 The estimates of total financial requirements for the secondary stage for the Eighth Plan are summarised below

ESTIMATED FINANCIAL REQUIREMENTS FOR THE SECONDARY STAGE FOR THE EIGHTH PLAN

(Rs. in crores)

	Formal Schools	Open Schools	Total
Direct Exp.	3,466.94	192.60	3,659.54
Indirect Exp.	433.37	21.40	454.77
Cost of school building construction			
1. New	2,205.00	-	2,205.00
2. Backlog	150.00	-	150.00
Total	6,255.31	214.00	6,469.31

Less

Expenditure on enrolment covered under Navodaya Vidyalaya Scheme

228.45	-	228.45
6,026.86	214.00	6,240.86

(b) Navodaya Vidyalayas

3.8 The scheme for setting up Navodaya Vidyalayas as pace-setting institutions, one in each district, to cater to the needs of talented children especially from rural areas and weaker sections of the society, was approved by the Cabinet on August 5, 1985. NPE/UGC recommended the scheme and suggested opening of these vidyalayas in all the 449 districts in the country during the Seventh Five Year Plan. Keeping this target in view, 256 Navodaya Vidyalayas were started in 29 States/UTs (barring the States of Assam, West Bengal and

Karil Nadi which comprise 54 districts and have not yet  
 opened for the scheme) in the first four years (1985-89) of  
 the Seventh Plan. Due to paucity of funds, the Executive  
 Committee of the Navodaya Vidyalaya Samiti at its meeting  
 held on September 9, 1988, decided not to open any new  
 Navodaya Vidyalayas during 1989-90 - the last year of the  
 Seventh Plan, unless additional funds were made available.  
 The Committee, however, decided to concentrate on consoli-  
 dation of the existing 256 vidyalayas by adding one class  
 every year till class XII was reached in each of these  
 vidyalayas.

3.9 Assuming that Navodaya Vidyalayas will be opened in  
 all the remaining 193 districts during the Eighth Plan in a  
 phased manner and that the norm of 80 students in each class  
 distributed equally in two sections as laid down in the  
 Navodaya Vidyalayas Scheme, will be adopted, enrolment  
 projections for the period 1990-95 will be as shown in the  
 following table:

PROJECTED NUMBER OF NAVODAYA VIDYALAYAS AND ENROLMENT IN  
CLASSES VI-XII DURING THE SEVENTH FIVE YEAR PLAN

Year	No. of Vidyalayas	Enrolment in Classes							
		VI	VII	VIII	IX	X	XI	XII	Total
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
1985-86	2	160							160
1986-87	91	6,640	160						6,800

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
1987-88	127	16,800	6,640	160					23,600
1988-89	46	20,480	16,800	6,640	160				44,080
1989-90	-	20,480	20,480	16,800	6,640	160			64,560
1990-91	40	23,680	20,480	20,480	16,800	6,640	160		83,240
1991-92	40	26,800	23,680	20,480	20,480	16,800	6,640	160	115040
1992-93	40	30,800	26,800	23,680	20,480	20,480	16,800	6,640	145680
1993-94	40	33,280	30,800	26,800	23,680	20,480	20,480	16,800	172320
1994-95	33	35,920	33,280	30,800	26,800	23,680	20,480	20,480	191440
									7,12,720

3.10 It can be seen from the above table that the total enrolment in the Navodaya Vidyalayas is likely to increase from 88 240 in 1990-91 to 1,91,440 in the last year of the Eighth Plan. Per pupil cost in a Navodaya Vidyalaya has been estimated by the Navodaya Vidyalaya Samiti at Rs.8,000 at 1989-90 prices. Based on this norm, year-wise financial requirements on revenue account for the Eighth Five Year Plan will be as follows. The table also indicates estimates of funds required on capital account:

Year	Projected Outlay (Rs. Lakhs)
1990-91	70.16
1991-92	92.00
1992-93	114.55
1993-94	137.00
1994-95	159.15
	573.19
Indirect Expenditure @ 10% of total Direct Expenditure	63.35
<b>Total</b>	<b>636.53</b>
Estimates of Financial Requirements on capital account (construction of buildings for schools, hostels & staff quarters)	1,000.00
<b>Grand Total</b>	<b>1,636.53</b>

\* A Special Committee has been set up by the Executive Committee of the Navodaya Vidyalaya Society to explore the possibility of institutional change for the Scheme, particularly buildings for schools, hostels and staff quarters. The first meeting of this Committee was held on 30.11.88.

3.11 To avoid double counting, the estimates of financial requirements for providing facilities to 7.12 lakh students covered under the Navodaya Vidyalaya Scheme in middle, secondary and higher secondary classes have been scaled down under the arrangements

(c) Higher Secondary Stage

3.12 As regards higher secondary stage, PUA envisages provision of adequate schooling facilities in the rural areas, improvement in the curriculum and teacher education programmes as well as diversion of 10% students at the +2 stage to vocational courses by 1990 and another additional 15% by 1995.

3.13 To improve the availability of schooling facilities at the higher secondary stage, PUA has reiterated the ratio of higher secondary schools to secondary schools at 1:3 as recommended by the Kothari Commission. The latest position in this regard, according to the Fifth All-India Educational Survey, is as follows:

	Secondary to Higher Secondary School Ratio
Total	1:6.87
Rural	1:5.36

3.14 As in the case of secondary stage, the transition ratio from the secondary to higher secondary stage should be improved during the 6th Plan period together with simultaneous provision additional schooling facilities. An analysis of data relating



to transition percentage from secondary to higher secondary stage indicates that this percentage has gone down from 43.31 in 1982-83 to 40.85% in 1986-87. These percentages have been worked out using enrolment in all alternative streams of higher secondary stage viz., inter/junior colleges, pre-university classes, higher secondary schools (10+2 pattern), higher secondary schools (old pattern) and higher and post-basic schools. The enrolment at higher secondary stage in all these streams in 1986-87 was 50.95 lakhs and the number of higher secondary institutions of all types was 15,723 in that year.

3.15 Applying the transition ratio of 40.85% to secondary stage enrolment of 1.25 crores (Selected Educational Statistics, 1986-87, Ministry of Human Resource Development, Department of Education, Govt. of India), we get 51 lakhs as enrolment for higher secondary stage. This is equal to the official figure of 50.95 lakhs mentioned above as enrolment in all alternative streams of higher secondary stage.

3.16. Assuming the transition percentage of 41% from secondary to higher secondary stage in 1986-87 also holds good for the base year of the Eighth Plan, enrolment of higher secondary stage is estimated at 61 lakhs for 1989-90, assuming further that the declining trend in the transition ratio will be arrested during the Eighth Plan and will be maintained at the base year level, the enrolment at higher secondary stage in the terminal year of the Eighth Plan would be 1.75 crore. The Eighth Plan load of enrolment for higher secondary stage would, therefore, work out to 1.12 crores.

3.17 According to the Fifth All-India Educational Survey, the enrolment at the higher secondary stage increased from 18.34 lakhs in 1978 to 34.41 lakhs in 1986. The average annual increase in enrolment during the period 1978-86 thus works out to about 5 lakhs. Making allowance for the pressures likely to be generated by the expansion of elementary education on enrolment at the secondary and higher secondary stages in the years to come and projected enrolment based on the transition rate of 41% from secondary to higher secondary stage, which seem to be on the very high side, we have assumed the net enrolment load off 20 lakhs for the higher secondary stage during the Eighth Plan period. We have further assumed a more realistic estimate of enrolment of 45 lakhs at the higher secondary stage in the base year of the Eighth Plan as against 61 lakhs projected on the basis of transition rate of 41% from secondary to higher secondary stage. The total enrolment to be covered at the higher secondary stage during the Eighth Plan period thus works out to 65 lakhs of which 48.75 lakhs will be provided in general stream and 16.25 lakhs in vocational stream.

3.18 Per pupil expenditure for higher secondary stage in 1979-80 (the latest year for which data is available) was Rs.643.09. Assuming inflation @10% per annum, per pupil expenditure adjusted for inflation will come to Rs.1,286. Based on this norm, direct expenditure for the general stream of higher secondary stage works out to Rs.1,880.79 crores. Indirect expenditure constituting 20% of the total expenditure will be Rs.235.10 crores..

2.12 Assuming an average strength of 120 students at higher secondary stage, 15,284 new schools will have to be created during the Tenth Plan period. Assuming covered area of 5000 sq.ft. per school and the cost of construction @ Rs. 75 per sq.ft., the school building cost for higher secondary stage would be of the order of Rs. 1,13,302.98 crores. In the absence of data regarding deficiencies in the buildings of existing higher secondary schools, an ad hoc provision of Rs. 10 crores is suggested. Thus the total financial requirements for higher secondary stage (general stream) would be Rs. 2,540.67 crores as per breakdown indicated below:

FINANCIAL REQUIREMENTS FOR HIGH SCHOOL BAW  
(IN CRORES)

	(In crores)
Direct Expenditure	1,886.70
Indirect Expenditure	653.97
Construction cost:	
1. BAW	1,332.98
2. Backlog	100.00
	-----
Total	2,540.67
LFSS:	
Exy. on enrolment covered under Government of India	135.81
	-----
	2,676.48
	-----

3.17 According to the Fifth All-India Educational Survey, the enrolment at the higher secondary stage increased from 18.34 lakhs in 1978 to 34.41 lakhs in 1986. The average annual increase in enrolment during the period 1978-86 thus works out to about 3 lakhs. Making allowance for the pressures likely to be generated by the expansion of elementary education on enrolment at the secondary and higher secondary stages in the years to come and projected enrolment based on the transition rate of 41% from secondary to higher secondary stage, which seem to be on the very high side, we have assumed the net enrolment load of 20 lakhs for the higher secondary stage during the Eighth Plan period. We have further assumed a more realistic estimate of enrolment of 45 lakhs at the higher secondary stage in the base year of the Eighth Plan as against 61 lakhs projected on the basis of transition rate of 41% from secondary to higher secondary stage. The total enrolment to be covered at the higher secondary stage during the Eighth Plan period thus works out to 65 lakhs of which 48.75 lakhs will be provided in general stream and 16.25 lakhs in vocational stream.

3.18 Per pupil expenditure for higher secondary stage in 1979-80 (the latest year for which data is available) was Rs.643.09. Assuming inflation @10% per annum, per pupil expenditure adjusted for inflation will come to Rs.1,286. Based on this norm, direct expenditure for the general stream of higher secondary stage works out to Rs.1,880.79 crores. Indirect expenditure constituting 20% of the total expenditure will be Rs.235.10 crores.

8.12 Assuming an average strength of 320 students at higher secondary stage, 15,234 new schools will have to be created during the Eighth Plan period. Assuming covered area of 543 sq.ft. per school and the cost of construction @ Rs. 75 per sq.ft., the school building cost for higher secondary stage would be of the order of Rs.1,332.98 crores. In the absence of data regarding efficiency in the building of existing higher secondary schools, an added provision of Rs.1 crore is suggested. Thus the total financial requirements for higher secondary stage (general stream) would be Rs.1,542.97 crores as per breakdown indicated below:

FINANCIAL REQUIREMENTS FOR HIGHER SECONDARY STAGE (GENERAL STREAM)

	(Rs. in crores)
Direct Expenditure	1,880.53
Indirect Expenditure	662.44
Construction cost:	
1. New	1,332.98
2. Backlog	100.00
	-----
Total	3,542.97
LESS:	
Expn. on enrolment covered under Navodaya Vidyalaya	135.01
	-----
	3,407.96
	-----

(a) Vocationalisation at the + 2 Stage

3.20 On the basis of information received from the Bureau of School Education, Department of Education, Ministry of Human Resource Development 2500 schools with 7500 vocational courses with an enrolment capacity of 1.87 lakhs would have been started (sanctioned) by March, 1990. According to our estimates the total enrolment at higher secondary stage would be 45 lakhs at the end of the 7th Plan period. As per the target of 10% diversion of students to the vocational stream by 1990 as envisaged in NPE, only 1.87 lakhs students would have been covered under this stream. This would leave a backlog of 2.63 lakhs from the 7th Plan which will have to be covered during the 8th Plan period. Thus the total enrolment load in the vocational stream during the 8th Plan would be 16.25 lakhs (13.62 lakhs additional + 2.63 lakhs backlog).

3.21 Per student cost in the vocational stream as estimated by the Kulandaiswamy Committee is Rs.1,950 per annum at 1980 prices. The average per pupil cost for vocational courses adjusted for inflation at 1989-90 prices @ 10% per annum would work out to Rs.3,900. Since 16.25 lakhs additional students are expected to study in the vocational stream during the 8th Plan, the total recurring expenditure would amount to Rs.1,231.25 crores.

3.22 Infrastructural facilities will also need to be created for 16.25 lakh students in the vocational stream. Assuming 100 students per school in vocational courses, as assumed by the Kulandaiswamy Committee on Vocationalisation, it is estimated that 16,250 schools would need to be strengthened for this purpose during the 8th Plan. Average non-recurring cost per school for this purpose is estimated at Rs.1,20 lakhs at 1980 prices by the Kulandaiswamy Committee Report. On the basis of this norm, the total non-recurring cost for strengthening 16,250 schools during the 8th Plan would be Rs.370.50 crores at 1989-90 prices adjusted for inflation @ 10% per annum.

3.23 The Total financial requirements for vocationalisation at the +2 Stage in the 8th Plan are summarised below:

ESTIMATED FINANCIAL REQUIREMENTS FOR VOCATIONALISATION OF EDUCATION AT +2 STAGE FOR THE EIGHTH PLAN

	(Rs. in Crores)
Recurring Expenditure	1,901.25
Non-recurring Expenditure	370.50
Total	<u>2,271.75</u>

#### 4. HIGHER EDUCATION

4.1 NPE/POA have identified the following main areas of concern in the development of higher education in the next 10-15 years:

- consolidation of existing facilities;
- opening of new institutions;
- redesigning of courses;
- improvements in efficiency and productivity;
- emphasis on autonomy of colleges and university departments;
- provision of better infrastructure;
- provision of more funds for research;
- encouraging open university system; and
- establishment of rural universities.

4.2 The outlay proposed by the Working Group on Higher Education for the Eighth Plan is of the order of Rs. 3,735 crores of which Rs. 2,135 crores is in the Central sector and Rs. 1,550 crores in the State sector. The programme-wise resource requirements as worked out by the Working Group together with the basis for calculations are given in Annex-II.



OUTLAYS PROPOSED FOR HIGHER EDUCATION PROGRAMMES IN THE  
EIGHTH PLAN (1980-1985)

(Rs. in crores)

Major Schemes	OUTLAYS		
	Central Sector	State Sector	Total
1.	2.	3.	4.
<b>I. Consolidation of Existing Institutions:</b>			
(a) 120 State Universities including deemed universities (Average support between Rs. 3 and 5 crores)	300.00	200.00	500.00
(b) 11 Central Universities (including two new universities to be set up)	150.00	-	150.00
(c) 5000 colleges @ Rs. 15.00 lakhs per college	375.00	375.00	750.00
(d) Students Services (including Hostels)	50.00	50.00	100.00
(e) Cubiclos for Teachers	15.00	15.00	30.00
<b>II. Expansion of Undergraduate Education:</b>			
(a) Establishment of 600 colleges (capital expenditure)	-	300.00	300.00
(b) Additional enrolment of 5 lakhs students in colleges @ Rs. 3600 per capita per year in the last year	-	300.00	300.00
(c) Additional enrolment of 10 lakhs students in Open University Distance Learning Programmes @ Rs. 1200 per capita.	100.00	100.00	200.00
<b>III. Reorganisation of Intergraduate Education:</b>			
(a) Curriculum Development	50.00	-	50.00
(b) Restructuring Streams			
(c) Examination Reforms etc.			
(d) Promotion of excellence in undergraduate education	100.00	-	100.00
<b>IV. Open Universities</b>			
IGNOU and State Open Universities	50.00	50.00	100.00
<b>v. Postgraduate Education and Research:</b>			
(a) Special Assistance Programmes	150.00	-	150.00
(b) COSIST	75.00	-	75.00
C.F.	1415.00	1390.00	2805.00

1.	2.	3.	4.	
	B.F.	1415.00	1520.00	2805.00
(c) Common Services and Facilities:				
i) Nuclear Science Centre and IGC, Pune	100.00	-	100.00	
ii) Structural Radiation Centre, Indore				
iii) Few Inter-University Centres	50.00	-	50.00	
iv) Superconductivity and Materials Sc.	20.00	-	20.00	
v) IIT Bombay	50.00	-	50.00	
vi) Institutional Associateship	5.00	-	5.00	
(d) Other Programmes of Postgraduate Teaching and Research	100.00	50.00	150.00	
VI Research in Social Sciences and Humanities (ICSSR, ICSSR, ICSSR, IAS, etc.)				
	75.00	-	75.00	
VII. Extension Programmes and Linkages:				
(a) NLM and related programmes	65.00	35.00	100.00*	
(b) Countrywide Classroom project and Mass Communications	50.00	-	50.00	
VIII. Teacher Training and Professional Development				
	100.00	-	100.00	
IX. Autonomous Colleges				
	75.00	-	75.00	
X. Rural Institutes/Universities				
	25.00	25.00	50.00	
XI. Other Programmes:				
(a) Educational Technology	25.00	-	25.00	
(b) National Testing Service	10.00	-	10.00	
(c) National Council for Hr. Edn.	5.00	-	5.00	
(d) State Councils for Hr. Edn.	-	10.00	10.00	
(e) Accreditation and Assessment Council	5.00	-	5.00	
XII. Loan scholarships				
	10.00	40.00	50.00	
	2185.00	1550.00	3735.00	

\* Our Estimates for NLM and related programmes under Higher Education sector amount to Rs.80 crores.

Source: Eighth Five Year Plan Report of the Working Group on Higher Education.

## 5. TECHNICAL AND MANAGEMENT EDUCATION

5.1 NPE has emphasised the need for revitalising technical and management education in the light of the projected scenario by the turn of the century through the inductor of improved technologies, supply of adequate technical and managerial manpower to the services sector as well as to the unorganised sector, promotion of continuing education and distant learning, computerisation, entrepreneurship development, strengthening of the community polytechnic system as well as innovative research and development. Improving the efficiency and effectiveness at all levels has also been stressed.

5.2 As initiatives and programmes envisaged in the field of technical and management education in FCA were launched midway during the Seventh Five Year Plan, when the plan priorities and allocation had already been finalised, many of these could not be implemented and would necessarily have to be reflected in the Eighth Plan. Apart from the new programmes based on NPE, Eighth Plan will also have to concentrate on consolidation and strengthening of the on-going programmes. Some of the important tasks to be undertaken during the Eighth Plan as suggested by the Working Group on Technical and Management Education in its report, are as follows:

- Improvement of quality and standards at all levels;
- Upgradation of infrastructural facilities;
- Establishment of effective linkages with development sectors, national laboratories, industry and other institutions/bodies;

- Technical watch and assessment of manpower in crucial areas;
- Measures to prevent brain drain;
- Promotion of research and development;
- Steps to ensure cost-effectiveness;
- Special programmes for SC/ST, women and disabled;
- Entrepreneurship development; and
- Continuing education and retraining programmes.

5.3 Financial requirements worked out by the Working Group on Technical and Management Education for the Eighth plan are of the tune of Rs.4,739 crores (Rs.3,656 crores in the Central sector and Rs.1,083 crores in the State sector). Scheme-wise break-up of the proposed outlay is given in Annex-III.

SCHEME-WISE PROPOSED OUTLAY FOR TECHNICAL AND MANAGEMENT EDUCATION  
THE NINTH FIVE YEAR PLAN

(Rs. in Crores)

Sl. No.	Name of the Scheme	Central Sector	State Sector
<b>I. DEPARTMENT OF ADMINISTRATION</b>			
1.	National Technical Manpower Information System (NTMIS)	10.00	-
2.	Re-organising, restructuring and rationalising AITAP, its Committees/Programmes etc.	25.00	-
3.	Grant of autonomy to selected institutions	5.00	5.00
4.	Strengthening existing institutions and establishing new institutions for non-corporate and unorganised sectors.	15.00	15.00
<b>II. TRAINING</b>			
5.	Regional Engineering Colleges (RECs)	400.00	60.00
6.	Apprenticeship training	50.00	6.00
7.	Central institutions: - Technical Teachers' Training Institute (TTTI). - National Institute for Training in Industrial Engineering (NITIE). - National Institute of Foundry and Forge Technology (NIFFT). - School of Planning and Architecture (SPA).	100.00	-
8.	UGC schemes	150.00	-
9.	Advanced technician courses	10.00	10.00
10.	Re-structuring courses and programmes	2.00	10.00
11.	Promoting technical education for women; setting up of residential polytechnics for women	100.00	40.00
12.	Training and technical education of the handicapped.	15.00	15.00

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III. RESEARCH

13. Indian Institutes of Technology(IITs)	250.00	-
14. Indian Institutes of Management(IIMs)	100.00	-
15. Development of P.G. courses	20.00	5.00
16. Development of management courses	10.00	40.00
17. Institutional network	15.00	30.00
18. International Centre for Science and Technology Education	10.00	-
19. Research and Development (R&D) in selected higher technical institutions	200.00	10.00

IV. ENGINEERING/TECHNICAL  
COLLEGES AND INSTITUTIONS

20. Community Polytechnics	50.00	0.00
21. Modernisation and removal of obsolescence	800.00	10.00
22. Thrust areas of technical education:	350.00	10.00
i) Creation of infrastructure in areas of emerging technology		
ii) Strengthening of facilities in crucial areas of technology where weakness exists.		
iii) Programmes of new and improved technologies offering courses in specialised fields.		
23. Institution-industry interaction	15.00	5.00
24. Curriculum development	8.00	15.00
25. Continuing education including faculty and staff development	15.00	30.00
26. i) Special institutes for rural and appropriate technology	25.00	0.00
ii) Experimental pilot projects for integrated rural development		

1.	2.	3.	4.
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V. OTHER SCHEMES

27. Indian Institute of Technology Assam	250.00	-
28. Longowal Institute of Engg. and Technology	6.00	-
29. Educational Consultants India Ltd.	0.10	-
30. New quality improvement programmes	-	-
31. Completion of development schemes continuing from previous plans	-	150.00

VI. NEW SCHEMES/PROGRAMMES

32. Strengthening State Directorates of Technical Education	-	25.00
33. New institutions under State sector	-	100.00
34. National Accreditation	5.00	1.00
35. Technology watch	2.00	2.00
36. Support to professional bodies	3.00	3.00
37. Entrepreneurship development	5.00	3.00
38. Projects for rural development by engineering colleges and other technical education institutions	3.00	3.00
39. Development of technician education system	500.00	200.00
40. Establishment of four Regional Libraries in science, engineering & technology	32.00	-
41. Promotion of excellence	100.00	-
<b>TOTAL</b>	<b>3,656.10</b>	<b>1,083.00</b>

## 6. ADULT EDUCATION

6.1 One of the thrust areas of NPE-86 is eradication of illiteracy among adults of the age group 15-35 by 2000. The NLM document (1988) lays down the targets of covering 30 million adult illiterates by 1990 and an additional 50 million by 1995. According to various unpublished official documents, the Seventh Plan target will fall short of 14 million. If 80 million target is to be achieved by 1995, provision will have to be made to cover 64 million (50 million new + 14 million backlog) adult illiterates during the Eighth Plan period. This target denotes not merely enrolment coverage but the number of persons to be made functionally literate.

6.2 Agency/Programme-wise projected coverage, using rapid literacy technique and conventional technique, unit cost per adult learner and estimates of financial requirements for adult education programmes for the Eighth Five Year Plan are given in the appended table.

6.3 Provision has also to be made for post-literacy work to be carried out through JSNs. Physical targets set out in the NLM document for JSNs are as follows:

(a) Target for the Seventh Plan	60,000 JSNs
(b) Target for the Eighth Plan	40,000 JSNs
	<hr/>
Total	1,00,000 JSNs

6.4 According to present indications 30,000 JSNs will be set up by the end of the Seventh Plan leaving a backlog of 30,000 to be established during the Eighth Plan period. The target for setting up JSNs during the Eighth Plan will, therefore, be 70,000 (40,000 new + 30,000 backlog).

6.5 According to the NLM document, setting up of a JSN will involve :

(a) Non-recurring exp. (to be incurred only in the first year)	Rs. 7,000
(b) Recurring exp. (to be incurred every year)	Rs. 7,000



6.6 Based on these costing norms, financial requirements for setting up the proposed 70,000 JSNs, are estimated at Rs.182.00 crores (Rs.133.00 crores recurring + Rs.49.00 crores non-recurring) as per details given below :

YEAR-WISE ESTIMATED FINANCIAL REQUIREMENTS FOR SETTING UP JSNs DURING THE EIGHTH PLAN

Year	Targets	Estimated Expenditure (Rs. in crores)		
		Rec.	Non-Rec.	Total
1990-91	10,000	7.00	7.00	14.00
1991-92	22,000	15.40	8.40	23.80
1992-93	36,000	25.20	9.80	35.00
1993-94	52,000	36.40	11.20	47.60
1994-95	70,000	49.00	12.60	61.60
Total		133.00	49.00	182.00

6.7 Other components of adult education for which requirements of funds for the Eighth Plan are to be estimated are: strengthening of Directorates of Adult Education in States, conversion of Directorate of Adult Education of the Government of India into National Institute of Adult Education, strengthening of SRCs, establishment of District Resource Units, resource and media support, monitoring and evaluation etc. Besides, estimates of financial requirements for techno-pedagogic inputs and R&D are also required to be worked out. Assuming 10% of the total projected cost of literacy and post-literacy programmes for these items, funds required will be of the order of Rs. 85.10 crores and Rs.102.65 crores based on the use of rapid literacy technique & conventional technique in adult education programmes respectively.

6.8 To sum up, two alternative estimates of total financial requirements for adult education, post-literacy and other related programmes for the Eighth Five Year Plan are given below :

	(Rs. in crores)	
((a) Adult Education Programmes	731.00 +	924.50 *
Less estimates of funds required for coverage under Universities and Colleges	62.00 @	80.00 @
	669.00	844.50
((b) Post-literacy (through JSNs)	182.00	182.00
((c) Administration, resource & media support etc.	85.10	102.65
	936.10	1129.15

\* based on coverage to be shared between rapid literacy technique/

PROJECTED COVERAGE AND ESTIMATED FINANCIAL REQUIREMENTS FOR ADULT EDUCATION PROGRAMMES FOR THE EIGHTEEN PLAN

Agency Programme	Coverage of Persons (in million)			Unit Cost per Adult Learner (in Rs.)		1990-91	
	CT	RLT/CT	Total	CT	RLT/CT	CT	RLT/CT
1	2	3	4	5	6	7	8
RELP	4.0	6.0	10.0	200	125	40.0	37.0
SEEP	4.0	6.0	10.0	200	125	40.0	37.0
VAs	3.2	4.8	8.0	200	125	32.0	29.6
NKCs	2.8	4.2	7.0	200	125	28.0	25.9
Universities and Colleges	1.6	2.4	4.0	200	125	16.0	14.8
MPFL (including high/higher secondary school students)		16.0	16.0	25 *		8.0	8.0
Trade Unions & Employers		3.0	3.0	25 *		1.5	1.5
SVPs	1.6	2.4	4.0	200	125	16.0	14.8
Ex-Serviceemen		2.0	2.0	85		3.4	3.4
<b>TOTAL</b>			<b>64.0</b>			<b>184.9</b>	<b>172.0</b>

NOTE : RLT stands for 'Rapid Literacy Technique' and CT for 'Conventional Technique'

\* only cost of literacy kits, training and environment building;

PROJECTED COVERAGE AND ESTIMATED FINANCIAL REQUIREMENTS FOR ADULT EDUCATION PROGRAMMES FOR THE EIGHTH PLAN

Agency/Programme	ESTIMATED Financial Requirements (Rs. in crores)								TOTAL	
	1991-92		1992-93		1993-94		1994-95		(1990-95)	
	CT	RLT/CT	CT	RLT/CT	CT	RLT/CT	CT	RLT/CT	CT	RLT/CT
1	2	3	4	5	6	7	8	9	10	11
REEP	40.0	34.0	40.0	31.0	40.0	28.0	40.0	25.0	200.0	155.0
SAEP	40.0	34.0	40.0	31.0	40.0	28.0	40.0	25.0	200.0	155.0
VAC	32.0	27.2	32.0	24.8	32.0	22.4	32.0	20.0	160.0	124.0
NRS	28.0	23.8	28.0	21.7	28.0	19.6	28.0	17.5	140.0	108.5
Universities and Colleges	16.0	13.6	16.0	12.4	16.0	11.2	16.0	10.0	80.0	62.0
MPFL (including high/higher Secondary School Students)	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	40.0	40.0
Trade Unions & Employees	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	7.5	7.5
SVPs	16.0	13.6	16.0	12.4	16.0	11.2	16.0	10.0	80.0	62.0
EX-Servicemen	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	17.0	17.0
<b>TOTAL</b>	<b>184.9</b>	<b>159.7</b>	<b>184.9</b>	<b>146.2</b>	<b>184.9</b>	<b>133.3</b>	<b>184.9</b>	<b>120.4</b>	<b>924.5</b>	<b>731.0</b>

NOTE : RLT stands for 'Rapid Literacy Technique' and CT for 'Conventional Technique'

7. DEVELOPMENT OF LANGUAGE.

7.1 At present, the Indian languages are at different stages of development. NPE/DOA have provided specific policy directions and a Framework for language development in India. The thrust areas proposed for the Eighth Five Year Plan by the Working Group on Languages are : strengthening of teacher training programmes; increased involvement of voluntary organisations; and strengthening of existing language institutions. Following are the programmes related to these thrust areas :

- Adoption of regional languages as media of instruction at the university stage ;
- Appointment and training of teachers ;
- Promotion of Hindi ;
- Involvement of voluntary organisations ;
- Preparation of dictionaries and encyclopedias ;
- Promotion of translation activities ;
- Setting up of a National Institute of Interpreters ;
- Publication of scholarly journals and good children literature in Indian languages ;
- Effecting improvement in the standards of teaching English ;
- Promoting teaching of other foreign languages like German, French, Russian, Spanish, Arabic, Japanese, Italian, Swahili, Indonesian and Korean ;
- Promotion of Urdu ;
- Promotion of Sindhi ;

( Rs. in Crores )

<u>S.No.</u>	<u>Name of the Scheme</u>	<u>Proposed Outlay</u>
1.	Promotion and development of Hindi	44.30
2.	Promotion and development of Urdu	2.64
3.	Promotion and development of Sindhi	0.90
4.	Promotion and development of Modern Indian Languages other than Hindi, Urdu and Sindhi	45.20
5.	Improving proficiency in English & other Foreign languages	4.45
6.	Development of tribal languages	1.45
7.	Promotion and development of Classical languages	66.35
8.	Application of Computer technology for Language development	10.00
		<hr/>
		175.29
		<hr/>

OR SAY Rs. 175 Crores

## 8. ARTS AND CULTURE

8.1 The culture of India is a valued legacy, evolving all the time. It reposes not only in its performing and plastic arts, but is contained in its museums and libraries, archives and archaeological finds, schools of art and academies, in its wealth of maestros and the treasure of young talent (which is now being systematically identified and nurtured), in its writers and poets, artisans and bards.

8.2 Arts and Culture have assumed greater significance in our country after independence. This is evident from the substantial step up in allocation of outlay for this head from a mere Rs. 4 crores in the Second Plan to Rs. 482 crores in the Seventh Plan.

8.3 It is through governmental and non-governmental efforts that Culture has grown into a great movement. During the Eighth Five Year Plan it is proposed to strengthen this movement through orientation of activities relating to arts and culture in the context of tradition and continuity, of technological change and creative rejuvenation, and of awakening and creativity.

8.4. Keeping in view these orientations, the outlay proposed for arts and culture for the Eighth Plan is Rs. 2,000 crores, of which Rs. 1200 crores will be for arts. Programme-wise outlays for Arts as worked out by the Working Group on Arts for the Eighth Five Year Plan are indicated in Annex-IV.

## 9. YOUTH AFFAIRS AND SPORTS

### (a) Youth Affairs

9.1 Youth constitute an important segment of society. An investment in their development is an investment in future.

9.2 NPE-1986 emphasises the role of youth in national development. It states "opportunities will be provided for the youth to involve themselves in national and social development through educational institutions."

9.3 The most significant aspect of the Seventh Five Year Plan that a number of programmes have been launched in the country to benefit the youth who, for the first time, started receiving considerable attention. There was a quantum jump in the Plan outlay for youth programmes from Rs. 12.54 crores in the Sixth Plan to Rs. 105 crores in the Seventh Plan, representing eightfold increase.

9.4 During the Eighth Five Year Plan, it is proposed to further consolidate and expand the gains and initiatives of the Seventh Plan, rationalise and integrate various youth schemes and programmes and introduce some new schemes. More specifically, the Eighth Plan should aim at expansion of NSS in colleges and universities; introduction of NSS at the +2 stage; expansion of Village Youth Clubs under the YCC; establishment of a National Institute of Adventure and State Institutes of Adventure as well as a separate Institute of Adventure for Women; strengthening of some of the existing schemes such as Bharat Scouts and Guides, Youth Hostel Movement, National Integration, Assistance to Voluntary Organisations, National Youth Awards, etc., and creation of basic infrastructure from the village level upwards to the block, district, state and national level.

9.5 A large investment on the part of Central and State Governments will be needed to achieve the aforementioned objectives of the Eighth Plan. An outlay of Rs. 300.76 crores has been recommended by the Working Group on Youth Affairs & Sports for the Eighth Plan.

(b) Sports

9.6 With declaration of the National Sports Policy in 1984 and adoption of NPE in 1985, sports and physical education are to be integral parts of the learning process. In keeping with

the National Sports Policy, the Government of India allocated Rs. 200 crores for the promotion of sports in the country in the Seventh Plan as against only Rs. 14 crores in the Sixth Plan, representing a fourteenfold increase.

9.7 During the Eighth Plan, it is proposed to further consolidate and expand the gains and initiatives of the Seventh Plan. More specifically, the Eighth Plan should aim at broadbasing the sports in the country for achieving the objective of 'Sports for All'; evolution of a result-oriented system for excellence development for targetted sports disciplines, through intensive efforts so as to ensure a respectable position in major international competitions such as Asian Games, Commonwealth Games and Olympic Games; providing appropriate support for the creation of sports infrastructure; and broadbasing academic physical education.

9.8 To achieve the aforementioned goals of the Eighth Plan, the outlay proposed for Sports and Physical Education by the Working Group on Youth Affairs & Sports is Rs. 630 crores.



PROGRAMME-WISE FINANCIAL REQUIREMENTS FOR ARTS FOR THE  
EIGHTH FIVE YEAR PLAN

(Rs. in Crores)

PROGRAMME	PROJECTED OUTLAYS
<u>KALA NIDHI</u>	
A - Reference Library	14.55
B - National Information & Data Bank	8.00
C - Cultural Archives	3.25
Sub-total (Kala Nidhi)	25.80
<u>KALA KOSA</u>	
A - Kalatattvakosa }	1.45
B - Kalamulasastra }	
C - Reprint Series	0.30
D - Encyclopaedia of Arts	0.30
E - Personnel and Infrastructuree	0.75
Sub-total ((Kala Kosa)	2.70
<u>JANAPADA SAMPADA</u>	
A - Ethnographic Collections	1.00
B - Multi-media presentations and Events	1.80
C - Life-Style Studies	1.80
D - Childrens' World	0.75
E - Experimental Theatre	1.65
F - Conservation & Restoration Laab.	1.00
Sub-total (JJanapada Sampada)	8.00
<u>KALA DARSHANA</u>	
A - Programmes	5.25
B - Capital Exp.(Other than Building Project)	5.00
Sub-total (Kala IDarshana)	10.25

SSU PRADHARA

A	-	Purchase of 20 Residential Flats/Land Rural Land and Construction for Rural Complex	6.00
B	-	Administration and Establishment Charges	5.00
C	-	Maintenance of Building including air-conditioning, electricity and water-supply etc.	17.25
		Sub-total (Sutrahara)	28.25
		GRAND TOTAL OF ACADEMIC PROGRAMMES (REVENUE)	<u>75.00</u>
		Building Project Capital Outlay	125.00
		GRAND TOTAL (REVENUE AND CAPITAL)	<u>200.00</u>

Source : Report of the Working Group on Arts  
for the Eighth Five Year Plan.

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SUMMARY STATEMENT INDICATING ESTIMATES OF FINANCIAL REQUIREMENTS  
FOR EDUCATION (INCLUDING ARTS & CULTURE, YOUTH AFFAIRS  
& SPORTS) FOR THE SEVENTH FIVE YEAR PLAN (1990-95)

(Rs. in crores)

Sl.No.	Item	7th Plan Outlay Projected Recommended by Steering Committee	Outlay for 8th Plan
1.	Elementary Education :	5,878.00 (38.1)	18,715.36 (41)
	(a) Primary Stage		9,315.90 (20)
	(b) Middle Stage		9,399.46 (21)
2.	Secondary/Higher Secondary Education: 1,778.00 (11.5)		
	(a) Secondary Education		6,240.36 (14)
	(b) Navodaya Vidyalayas		1,633.63 (4)
	(c) Higher Secondary Education		3,413.76 (8)
	(d) Vocationalisation at 10-12 Stage		2,271.75 (5)
3.	Higher Education	1,724.00 (11.2)	3,735.70 (8)
4.	Technical & Management Education	1,875.00 (12.1)	4,739.70 (11)
5.	Adult Education	1,363.00 (8.3)	1,129.15* (3)
6.	Development of Languages	+	175.29 (0.4)
7.	Arts & Culture :	469.00 (3.0)	
	(a) Arts		200.70 (0.5)
	(b) Culture		200.70 (0.5)
8.	Youth Affairs & Sports :	841.00 (5.5)	
	(a) Youth Affairs		300.76 (0.7)
	(b) Sports		680.70@ (1.5)
9.	Other Programmes	1,510.00 (9.8)	
	Total	15,440.00 (100.0)	45,233.86 (100)

OR SAY Rs. 45,000 Crores

\* Based on conventional technique. An alternative estimate based on coverage to be shared between rapid literacy technique and conventional technique has also been worked out comes to Rs. 936.10 crores.

+ Included in 'Other Programme'.

@ Includes provision for Physical Education also.

NOTE : Figures in parentheses indicate percentages to the total.

ASSESSMENT OF THE SCOPE FOR NON-BUDGETARY RESOURCES  
IN THE CONTEXT OF FIVE-YEAR PLAN OF 1971-1975

C O N T E N T S

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SL.NO.

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1. Introduction
  2. Fees
  3. Community Contribution and Donations
  4. General of Income by Educational Institutions
  5. Scope of Institutional Finance
  6. Resource Mobilisation from Non-resident Indian Professionals
  7. Cost Reduction Devices and Optimal Utilisation of Existing Resources
  8. Allocation of Resources through Regional System of Educational Management
-

ASSESSMENT OF THE SCOPE FOR NON-BUDGETARY RESOURCES IN  
THE CONTEXT OF IMPLEMENTATION OF NPE-1986

Introduction :

1.1 An analysis of the trend in financing of education in India during the last three decades reveals that the share of Government (both Central and State) has substantially increased, whereas the contribution from fees, donations and other sources has considerably declined. To reverse this trend, NPE-1986 suggests raising of non-budgetary resources for educational development through "mobilising donations, asking the beneficiary communities to maintain school buildings and supplies of some consumables, raising fees at the higher levels of education and effecting some savings by the efficient use of facilities". NPE further suggests levying of a cess or charge on the user agencies using technical and scientific manpower (p.28). NPE, however, admits that non-budgetary resources will contribute marginally to the total requirements of funds for education.

1.2 In this paper an attempt is made to assess the possible contribution that each of the aforementioned non-budgetary resources as well as some other could make to the funding of various programmes envisaged in NPE. The paper also spells out some concrete steps that will have to be taken to make contribution of non-budgetary resources a reality.

Fees :

1.1 Education up to the primary stage is free in all States. In some States, education is free even up to class X both for boys and girls in urban as well as rural areas. In some other states no tuition fee is charged up to class XII.

2.2 Jammu & Kashmir is the only State where education is free at all stages. The trend in some other states has been to make education free for girls right from primary to higher education. Rajasthan Government's recent decision in this regard is an instance in point. Such a policy runs counter to raising non-budgetary resources (in this case the tuition fees) and makes the resource crunch for education far more acute.

2.3 Another disturbing feature is that the structure of tuition fees charged in secondary schools, colleges and universities as well as technical and professional institutions of higher learning has remained static during the last four decades, in spite of cost escalation, growing demand to modernise the infrastructure and instructional processes, particularly of technical education, and increase in the paying capacity of the people. In fact, the value of the fees paid by students in real terms, has decreased.

2.4 In 1950-51, income from this source constituted nearly 20 % of the total expenditure on education. This percentage has now come down to 5 %. Again, the present fee structure in different institutions varies from state to state. It is high time that the fee structure in secondary and post-secondary education is reviewed so that some sort of uniformity in the pattern and quantum of fees charged in different institutions is ensured and the contribution from this source to the funding of overall educational development is raised to the 1950-51 level i.e. 20 %.

2.5 Although NPE suggests raising of fees only at the higher education level, raising of fees at other levels also needs serious consideration. While it may be necessary to make education up to the elementary level free in view of the constitutional directive,

at the secondary and post-secondary levels, need not be made for all students. It will be desirable to classify students under three categories for this purpose, namely those who could be given full fee concession, those who could be given half fee concession, and those who would not be given any fee concession, depending upon the paying capacity of their parents. Paying capacity could be determined on the basis of different income slabs. This would also apply to students studying in higher education courses both of the general and technical varieties. In fact, in Rajasthan fees is being charged in relation to the income of the parents even to-day. Other states need to follow suit.

1.6 Differential fees is being charged from boys and girls in secondary/higher secondary schools in some states like Punjab and Manipur. Also differential fees is being charged in different classes of secondary/higher secondary stages in certain states like Rajasthan, Sikkim, Manipur and U.P. The rates of fee vary widely from state to state and from institution to institution run by different managements such as government, local bodies and private trusts. The range of fee charged is between Rs. 48 per annum in classes IX-XI in Madhya Pradesh and in classes XI & XII in Assam in government managed schools to Rs. 250 per annum in class XII in Gujarat and Rs. 240 and Rs. 360 per annum respectively in classes XI & XII in Goa & Daman & Diu. Fees in private schools run by local boards ranges between Rs. 48 per annum in classes XI & XII in Assam to Rs. 250 per annum in class XII in Assam. Fee charges in private aided schools range between Rs. 48 per annum in classes XI & XII in Assam to Rs. 300 and Rs. 600 per annum respectively in classes IX & X in Nagaland.



2.7 Tuition fee charged in Central Universities at the under-graduate level for general education courses varies from Rs. 120 per annum in FIC and Viswa Bharati to Rs. 180 per annum in Delhi University. Fee charged for post-graduate general education courses in these universities ranges between Rs. 144 per annum in Viswa Bharati and Rs. 200-400 per annum in NEHU. For professional courses like B.Ed and LLB, fee charged in Central Universities ranges between Rs. 120 per annum in Viswa Bharati to Rs. 1,440 per annum in Delhi University. For post-graduate professional courses like M.Ed and Master in Library Science, fee charged varies from Rs. 180 in JNU to Rs. 2,400 in Delhi University. For law courses at the under-graduate level, the range of fee charged is between Rs. 120 per annum in BHU and Rs. 180 in AMU and Delhi University. For LLM, the range is between Rs. 1150 in BHU and Rs. 216 per annum in Delhi University.

2.8 So far as fee charged at the under-graduate level for general education courses in State Universities is concerned, it varies from the low of Rs. 40-180 per annum in Rajasthan University and Rs. 60-100 per annum in ML Sukhedia University to the high of Rs. 400 per annum in Gujarat, Bombay and Nagpur Universities. Fee charged for the post-graduate general education courses ranges between the low of Rs. 100-200 per annum in Rajasthan University, Rs. 144 per annum in Berhampur and Sambalpur Universities, Rs. 144-130 per annum in Calcutta and Burdwan Universities to the high of Rs. 500-600 per annum in Bombay University. Fee charged for the under-graduate level professional courses like B.Ed, LLB, B.A. Honours in Library Science, varies from Rs. 100-200 per annum in Rajasthan University, Rs. 135 per annum in Bangalore University and Rs. 144

per annum in Dibrugarh University to Rs. 500 per annum in Bombay University.

2.9 During the last decades only a few State Governments have taken steps to rationalise fee structures in their institutes of higher education. For example, the Bhanke Committee appointed by the Maharashtra Government in 1978 recommended that two-third of the average annual cost per pupil/as fees and the remaining one-third for various undergraduate courses should be recovered from the pupils and the remaining one-third be subsidised by the State Government. The recommendation of the Committee was accepted by the State Government and against the per pupil cost of Rs. 600, Rs.400 per annum was fixed as fee for various under-graduate courses in the State. Since the per pupil cost of higher education in Maharashtra has considerably increased since 1978 due to inflation, the further revision of fee structure hardly needs to be over-emphasised. This argument will also apply to those States which had revised their higher education fee structure 10-15 years back. The principle of one-third (as in the case of Maharashtra) or one-half (in the case of some other States) subsidy by the State Government could be adopted. While revising fee structure, the application of the principle of subsidy by the Government will have to be kept flexible, depending upon the acceptability by the public.

2.10 Average annual fee charged at present in engineering colleges and polytechnics respectively works out to Rs.532 (range Rs. 320 to Rs. 745) and Rs. 310 (range Rs.145 to Rs.500). Guidelines developed by AICTE (1989) suggest that the maximum fee chargeable to students in engineering colleges and polytechnics should be limited to 20 % and 25 % respectively of annual recurring expenditure in these institutions as against the present level of 5 %.

In monetary terms, this amounts to approximately Rs. 2,000 per year for engineering colleges and Rs. 1,350 per year for polytechnics.

2.11 Besides tuition fees, specific fees is also charged for specific purposes in educational institutions in all States.

Specific charges include library fee, laboratory fee, magazine fee, etc. Increasing the rate of such fees by a least 50% is justified on grounds of cost escalation.

2.12 As a corollary to raise the rate of tuition fees and other types of fees, certain provision for loans or loan scholarships to the needy students for studies in engineering/technical education through creation of a Revolving Fund would become necessary.

2.13 With ever-increasing numbers of examinees, examination fee can be another important source of private finances. But, unfortunately, the rate of growth of income from this source had declined from 10% in 1950-51 to 5% in 1979-80 (latest available). Examination fee be suitably enhanced so as to restore the 1950-51 level of growth rate.

### 3. Charitable Contribution and Donations :

3.1 Most of the people in India believe that contribution for Vidyā or education is a virtue. In some communities it is even said that to be ignorant and to perpetuate ignorance among the people is a sin. The educational authorities may usefully exploit this emotional aspect of the people's attitude for mobilizing additional resources for education.

3.2 There is a large amount of unaccounted income or what is generally called 'black money' in the country. While it may appear preposterous to raise additional resources for education from 'black money' it would be desirable to franchise the gains that the potential taxpayers (and tax evaders) could

gain by tax evasion. This could be done by making fiscal incentives to donors for education more attractive. There is nothing new in this suggestion. Already income by way of profits and gains from business if expended on research undertaken in industrial laboratories is entitled to considerable rebate in income tax.

3 At present, in some States,, the initial capital investment and recurring expenditure for the first few years for the newly started educational institutions, are met from private sources. It is only after 3-5 years that these institutions become eligible for government grants. Grant-in-aid codes may be modified in such a manner as to contain built-in incentives for community resource mobilisation based on the matching share principle. To ensure matching share of institutions, each private aided institutions, each private aided institution may be required to start a Trust Fund.

4 Donations can be elicited from the community both in cash and kind to meet the physical requirements of educational institutions. School Improvement Conferences in Tamil Nadu and School Improvement Programme (now called Shaikshanik Uthav - the Educational Uplurge) in Maharashtra have helped in mobilising large contributions from the local community in rural areas to meet the physical and material needs of elementary schools. Contributions to the tune of Rs.6 crores were collected in cash or kind in Maharashtra in 1987--88. The Savitribai Phule Foster Parent Scheme initiated in Maharashtra in 1983, has also succeeded in promoting primary education for girls in the State. Under the scheme, as many as 1.50 lakh Foster Parents were registered at the end of 1987-88, who pay Rs. 25 per month in cash or kind to the needy girls from their own resources. These schemes have attracted

nationwide attention and can be adopted by other States/UT's.

3.5 The government policy of restricting the investment of surplus income of educational institutions in the low yielding government securities/bonds may be dispensed with. Each educational institution may be permitted to evolve its own policy for rational investment of surplus funds with suitable checks and balances.

3.6 Privatization of secondary and collegiate education can also help reduce burden on the public exchequer. For example, in Maharashtra and Gujarat, most of the secondary schools and colleges are managed by voluntary organizations or Private Trusts. The institutions operate their own funds and enjoy considerable freedom in receiving contributions from the public to supplement grants received from the Government. In Maharashtra, the State Government has already provided for instituting Development Fund in aided secondary schools. The management of aided secondary schools in that State are required to build up a reserve of 2% of their total approved expenditure in urban areas and 1.5% in rural areas to which the Government contributes its share of 1% and 1.5% respectively. Other States/UT's might consider adoption or adaptation of Maharashtra and Gujarat models of privatization of secondary and collegiate education.

3.7 Analysis of information received from different States/UT's reveal that education cess is being levied for higher education on total revenue collection in Gujarat @ 1% on all State revenue and excise duties @ 10% in Karnataka, 10% on total revenue on Primary Education Act 96. In Maharashtra, education cess is being levied as tax on land for growing cash crops in rural areas and on all billings in Municipal areas. The cess realized in

1987-88 in that State was estimated at Rs.24.00 crores. The proceeds are credited to the consolidated funds of the State instead of being earmarked for educational development. These States/UT's where education cess has not been levied so far may consider levying of such a cess.

1.8 Efforts at mobilisation of community support for education by an elite alienated from the people and intent on preserving its own privileges are, in the first instance, bound to fail and can succeed only marginally. However, community support will come in abundance if its representatives are involved in educational decision-making process. For this, steps may be taken to adopt a bottom up approach to planning within the multi-level planning framework and to set up Village Education Committees (VEs) without further delay, as suggested in NPE/POA. Parent-Teacher Associations (PTAs) if involved in educational decision-making, will also be of great help in raising resources for education. Experience in certain parts of India and else where shows that if educational needs at the grassroots level are identified and resources to fulfil these needs are assessed through involvement of the local community, its representatives are able to see the gap between needs and resources and feel motivated to fill the gap by extending support in various kind provided the educational programme is relevant and meets the needs and aspirations of the local people.

1.9 A few more suggestions for raising funds through community contribution and donations are given below :

- creating Chief Minister's Development End in each State and Lieutenant Governor's Development End in each Union Territory and giving 50 percent exemption from income-tax to donations to these funds.

- levying of education cess on agricultural produce marketed at the time of procurement drive ;
- levying of special education cess on cash crops
- levying of surcharge on each item as entertainment, electricity, motor vehicles, etc., for the purpose of educational development;
- levying of surcharge on registration and stamp duties on transfer of all properties for educational development;
- levying of manpower cess on industrial and commercial establishments both in the public and private sectors for the development of vocational and technical education;
- encouraging industries to run their own vocational and technical education institutions;
- making public sector undertakings and private sector industries responsible for the education of their workers and that of their children so as to assist in the achievement of national goals of eradication of illiteracy and universalisation of elementary education ;
- levying of turnover tax on the annual collection of fees, donations and other receipts of private unaided recognised institutions having an annual collection of more than one lakh rupees ;
- imposing a levy of 5 % on all imports for educational development as is being done in Pakistan ;
- making use of mosques, temples, churches, gurudwaras for running classes for primary school age children and adults (all mosques in Bangladesh and Pakistan are being used for educational purposes leading to huge savings in capital investment);
- using part of the income of temples, mosques, churches and gurudwaras for educational purposes;
- encouraging community members to donate books and old newspapers to public libraries and Jana Shiksha Nyayams;
- collection of wheat and paddy at the time of harvesting season for use in primary schools for providing mid-day meals to students ;
- removing restrictions on investment of surplus income of educational institutions in low yielding government securities/bonds ;

- making appropriate amendments in the existing financial rules to allow government managed educational institutions to use funds raised by them for their further development (these funds could be operated by parent-teacher committees and subjected to audit by a Chartered Accountant or by any other alternative device in rural areas, where Chartered Accountants may not be available);
- encouraging adoption of educational institutions by banks and charitable institutions.

#### 4. Generation of Income by Educational Institutions :

4.1. All educational institutions in India should endeavour to become self-sufficient, as far as possible, during the next 10-15 years. Schools, colleges and universities can raise funds through organisation of cultural shows where artistes of repute could be invited to give dance, music and drama performances. Apart from raising funds, one other incidental impact of such efforts will be to expose the students to various facets of Indian Culture.

4.2. Another fund raising activity could be letting facilities like auditorium, conference/committee rooms, computers, printing press, etc. by educational institutions on a commercial basis.

In Britain, a thriving business has been developed by some universities on these lines. Brochures describing the facilities available and charges for letting the facilities for conference organisers are advertised widely.

4.3. Yet another way of generating income by educational institutions, particularly universities, IIT's and engineering/technical colleges, could be through offering consultancy services by their faculty members.

4.4. Income could also be derived by educational institutions from the sale of products produced by students under work experience/SUJPW and vocationalisation programme. Since the quality of these products may not be as good as to compete with the quality of



products produced by master craftsmen, their marketability might pose a serious problem. The government departments may, therefore be asked to purchase products produced by students as per their requirements.

4.5 Government run educational institutions in most states are required to deposit funds raised by them in the government treasury and these funds become a part of the general revenues. Such a practice serves as a disincentive and dampens the enthusiasm of faculty of educational institutions to raise funds on their own for the purpose of institutional development. To overcome this problem, financial rules should be amended by the State Government wherever necessary, to allow educational institutions to use funds raised by them for institutional development. Provision may be made in the rules for operating these funds by parent-teacher committees with representation from non-teachers in the local community. The rules may also provide that these funds will be used for the purpose of further development of concerned institutions and subjected to audit by a Chartered Accountant or by any other alternative device in rural areas, where Chartered Accountant may not be available.

## 5. Scope of Institutional Finance :

5.1 Educational sector should get reasonable share of loan funds from the nationalised banks, LIC, UTI and other central and State Finance Corporations especially for institutional and residential buildings and also for scholarships to students of professional and technical institutions. These loans should be given on a reasonably low rate of interest. If necessary,

appropriate enactments may be passed by the Parliament and State Legislatures to amend existing laws to facilitate grant of soft loans to educational institutions and individual students.

55.2 State Governments may also consider setting up of separate School Building Finance Corporations or giving guarantee to loans granted by the schools through banks and other financial institutions.

55.3 Funding from international level financial institutions like IDA and the World Bank for educational programmes of national importance, also needs serious consideration. Within the annual aid ceiling for IDA assistance (which is concessional), the Central Government may seek assistance for NPE thrust areas like UPE and eradication of adult illiteracy. Since the World Bank studies show that investment in primary education and elimination of adult illiteracy yield high rates of social return, IDA assistance would be forthcoming.

#### 6. Resource Mobilisation from Non-resident Indian Professionals:

6.1 As it is too well known India provides its most talented and best educated and professionally trained personnel (scientists, doctors, engineers) not only to other Third World countries in Asia and Africa but also to the oil rich Middle East and the developed countries in the West. The U.N. report on "The Reverse Transfer of Technology" (1971) discusses some measures for compensation which merit serious consideration by our Government as a resource-raising device for education. One possibility that the report suggests concerns the levying of a direct assessment on host developed countries. It could be related to the total number of professional personnel migrating, the amount of their income taxes they paid to the host countries, and the amount of

investment on education they received in the developing countries of their origin. This would necessitate entering into bilateral or multilateral tax treaties to share, according to some mutually agreed formula, tax revenue that host countries earn from the nationals of developing countries. In terms of revenue-raising potential of tax-sharing arrangements, according to an estimate worked out by Jagdish N. Bhagwati in 1955, the amount that could be around \$ 500 million annually, if about one-third of the tax raised by developed countries from skilled migrants of developing countries were to be shared. A second proposal first advanced by Bhagwati and since subjected to legal and administrative scrutiny relates to levying of supplementary tax on the incomes of skilled migrants. According to a tentative estimate worked out by Bhagwati, using a national supplementary tax rate of 10 % on net tax earnings of migrants for a period up to 10 years after formal migration, developing countries as a group could raise tax revenue of nearly \$ 50 million annually. As far as India is concerned, a tentative estimate suggests that the annual receipts from such measures can bring resources that would amount to about 10 to 15 per cent of the current public expenditure on education.

7. Cost Reduction Devices and Optimal Utilisation of Existing Resources :

7.1 Cost-effective strategies like non-formal education, distance education may be adopted. The cost of formal education should be reduced by these strategies. What is implied is that there should be a suitable combination of formal and non-formal education to reduce the cost.

77.2 Coordinated/integrated approach to planning of formal and non-formal education and establishment of educational complexes with jurisdiction over both formal and non-formal educational institutions will also lead to reduction in educational expenditure through sharing of physical, material and manpower resources.

77.3 Some more suggestions to reduce cost and to optimally utilise existing resources for education are offered below :

- reducing the total number of teachers in primary schools by shortening the school hours;
- reducing the number of years pupils spend in school through shortening of courses and introduction of new instructional techniques;
- using inexpensive and functional school building designs based on researches conducted by CBRI, Roorkee, IIE, Pune, UNESCO Regional Office, Bangkok and other national and international agencies and making use of locally available material in the construction of these buildings;
- increasing use-efficiency ratio of educational buildings and equipment;
- sharing of resources (physical, material and human) through establishment of school/educational complexes;
- introducing shift system, wherever possible;
- closing of non-viable institutions or merging of these institutions with other neighbouring institutions;
- reducing the number of teachers in colleges and universities through rationalisation of their workload on the basis of UGC norms;
- deployment of surplus teachers through rationalisation in each district and decentralising powers to district education officers for this purpose, wherever necessary;
- appointment of one regular teacher and one helper teacher in single-teacher primary schools which are to be converted into two-teacher schools under the scheme 'Operation Blackboard';
- streamlining coordination mechanisms to ensure effective coordination within the different branches of the Government departments and between education departments and other Government departments to avoid duplication and wastage.

8 Allocation of Resources through Reorganised System of Educational Management :

8.1 Sharing of responsibilities in the Management of education may be reorganised as follows :

- elementary education and adult education may be made the main responsibility of Panchayati Raj Institutions (and Zilla Parishads on the pattern of Local Education Authorities (LEAs) in UK; their resources may be supplemented by the State Governments on matching share basis and on the basis of principle of equalisation; meaning thereby that richer local bodies receive lower grants and poorer receive higher grants;
- secondary education may be made exclusive responsibility of the State Governments whereas for higher and technical education the Central Government may take over the total responsibility. This would imply transfer of higher and technical education institutions run by the State Governments to the Central Government. Besides, quality programme in education may also be the exclusive responsibility of the Centre.

8.2 Local bodies in rural and urban areas may be classified into 9 categories or purposes of grants based on equalisation principle as under:

- areas with high resource and high need;
- areas with high resource and medium need;
- areas with high resource and low need;
- areas with medium resource and medium need;
- areas with medium resource and high need;
- areas with medium resource and low need;
- areas with low resource and low need;
- areas with low resource and medium need;
- areas with low resource and high need.

The words 'high', 'medium' and 'low' will need to be defined.

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