

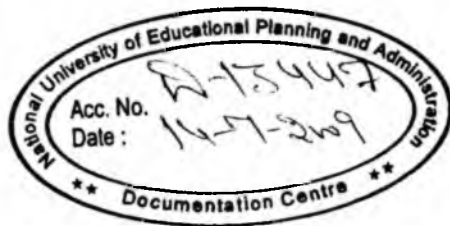
**REPORT  
OF  
EXPERTS' COMMITTEE ON  
EDUCATIONAL EXPENDITURE**

**EDUCATION DIVISION,  
PLANNING COMMISSION,  
YOJANA BHAVAN,  
NEW DELHI-110 001.  
MAY, 1999**

NUEPA DC



D13447



## PREFACE

At present the proportion of the national income devoted to education in India is small in comparison with that in advanced countries of the world. If we have to move forward in this competitive age and face the challenges of globalisation and market economy, then investment in human resource development is imperative.

In order to assess the present position of expenditure on education and devise a strategy for increase of spending on education, both at the Centre and in the States, the Planning Commission had set up an Expert Committee. The Expert Committee after careful analysis has strongly recommended that six per cent of the Gross Domestic Product be spent on Education in the Public Sector. The ideal situation is to implement this recommendation immediately. However, if Government is constrained by financial considerations, it should reach this target latest by the year 2007. Further, the Committee has recommended concrete measures how we could generate the financial resources required to realise the desired goal.

The Expert Committee discussed the draft report on 20th March, 1999 and adopted it with certain modifications. These have been duly incorporated in the final report. The report has evolved itself into a comprehensive document and contains a number of Tables and technical information which will throw light on the conclusions drawn in this report.

The task of ensuring a suitable level of expenditure on education, both in the public and private sectors, seems to be neglected, partly for want of data. Perhaps, it is much more so in case of private expenditure. There is an urgent need for strengthening of the statistical unit in the Ministry of Human Resource Development at the Centre to take on this responsibility so as to release annual statistics on this subject.

As Chairman of the Experts' Committee I place on record my sincere thanks to the Expert Members of this Committee and the Ministries and Organisations for their informed participation and contribution.

I would like to express my sincere thanks to Dr. V.P. Garg, Joint Adviser and the Staff of the Education Division but for whose able support this onerous task could not have been completed.

702

New Delhi:  
May 5, 1999

(Maharaj Krishen Kaw)  
Chairman of the Experts' Committee  
and Principal Adviser (Education)

## Acknowledgement

1. Department of Statistics,  
Ministry of Planning and  
Programme Implementation,  
Government of India.
2. Ministry of Human Resource Development,  
Government of India.
3. National Council of Educational  
Research & Training (NCERT),  
New Delhi.
4. National Institute of Educational  
Planning & Administration (NIEPA),  
New Delhi.
5. Perspective Plan Division,  
Planning Commission,  
Government of India.
6. All India Council for  
Technical Education (AICTE),  
New Delhi.
7. Office of the Registrar General &  
Census Commissioner, India.
8. Centre for Monitoring Indian  
Economy (CMIE), Bombay.
9. National Council of Applied  
Economic Research,  
New Delhi.
10. Department of Urban Affairs,  
Ministry of Urban Affairs  
and Employment,  
Government of India.
11. Ministry of Rural Areas  
& Employment,  
Government of India.
12. (Finance Division),  
Ministry of Defence  
Government of India.
13. Railway Board,  
Ministry of Railways,  
Government of India.

<b>Sl No.</b>	<b>Chapter</b>	<b>Contents</b>	<b>Page Nos</b>
		Preface	i - ii
		Acknowledgement	iii
1.	Chapter-1	Introduction	1 - 20
2.	Chapter-2	Analysis of Public Expenditure on Education	21 - 41
3.	Chapter-3	Private Expenditure on Education	42 - 75
4.	Chapter-4	Current Status of Expenditure on Education in Relation to GDP	76 - 85
5.	Chapter-5	Balance Sheet of Deficiency in Education System	86 - 114.
6.	Chapter-6	Financial Perspective of Education	115 -139
7.	Chapter-7	In Conclusion	140 -147
8 .	Chapter-8	Executive Summary	148 -154
9.		References	155 -156
10.		<b>Annexures</b>	
	Annexure-I	Constitution of an Experts' Committee to assess the current status of expenditure on education both in public sector and private sector and its proportion to GDP	157 -160
	Annexure-II	States & Districts Covered under District Primary Education Programme (DPEP)	161 -162
	Annexure-III	Names of Districts Identified for Coverage under District Primary Education Programme (DPEP)	163 -166
	Annexure-IV	List of Districts under Lok Jumbish (Rajasthan)	167 -168
	Annexure-V	List of States & Districts Recommended for Further Coverage under Special District Education Plan	169 -172

**TABLES**

Sl No.		No.
1	Public Expenditure on Education, 1980-92	10
2	Expenditure on Education (1990-91 - 1996-97)	22
3	Economic and Purpose Classification of Educational Expenditure	24
4	Primary School Buildings Constructed Under JRY Scheme	26
5	Estimated Expenditure on Education under MPLAD	27
6	Railways Expenditure on Education during Eighth Plan	29
7	Expenditure on Education during Eighth Plan (Ministry of Defence)	30
8	Revenue Expenditure on Education by Education Departments	32
9	Percentage Share of Plan and Non-plan Expenditure on Education by Education Departments	35
10	Revenue Expenditure on Education by Other Departments	37
11	Budgeted Capital Expenditure on Education (Less Loans and Advances) By Education & Other Departments.	39
12	Expenditure on Education (Centre and States)	41
13	Average Annual Expenditure Per Student of Age 5-24 Years Pursuing General Education By Level of Education	44
14	Average Annual Expenditure Per Student of Age 5-24 Years Pursuing General Education By Level of Education and By Type of Institution	46
15	Average Annual Expenditure Per Student of Age 5-24 Years Pursuing General Education by Item of Expenditure	48
16	Expenditure Incurred By Students of Age 5-24 Years Pursuing General Education By Level of Education and Type of Institution	50
17	Expenditure Incurred By Students By Age 5-24 Years Pursuing General Education in Government and Local Body Institution (1995-96)	52

18	Average Expenditure (Rs.) Per Student of Age 5-24 Years Pursuing General Education By Broad Level of Education	54
19	Estimates of Institutional Costs of Establishing Self-Financing Institutions under All-India Council for Technical Education (as on 31.12.1997)	58
20	Distribution of Intake of Students of Degree & Diploma Engineering Courses in Self-Financing Institutions Under All-India Council for Technical Education (AICTE) - as on 31.12.1997	59
21	Distribution of Intake of Students of Courses other Than Engineering Courses in Self-Financing Institutions Under All-India Council for Technical Education (AICTE) - as on 31.12.1997	60
22	Estimates of Development Fees Charged By Self-Financing Institutions Under AICTE (MHRD) 31.12.97	61
23	Financial Estimates of Total Cost Incurred By Self-financing Institutions and Their Students	63
24	Income of Schools Run By Private Managements Under Different Heads of Account (1992-93)	73
25	Current Status of Public Expenditure on Education in Relation to GDP (1996-97)	77
26	Current Status of Private Expenditure on Education	79
27	Projected Population For Selected Age Groups By Sex- as on 1st July, 1996, 2001 and 2006	87
28	Physical Status of Pucca Buildings By Location And Stage	91
29	Physical Status According to Type of Building in Rural and Urban Areas	93
30	Physical Deficiency of Pucca School Buildings of Government Institutions as on 30.09.1993	95
31	Literacy Rate From Various Rounds of NSSO	98
32	Literacy Rate From 53rd Round (Jan-Dec 1997) of NSSO	100
33	Estimated Time Required to Achieve Literacy Rate of 90 Per Cent	101



34	Enrollment Ratio at Elementary Education Stage	102
35	Enrollment of Girls in Relation to School Age-Cohort Population (1996-97)	104
36	Analysis of Universal Access at the Lower Primary Stage	108
37	Projected Population and Enrollment: (Classes I-V)	109
38	Analysis of Universal Access at the Upper Primary Stage	110
39	Projected Population and Enrollment: (Classes VI-VIII)	111
40	Public Expenditure on Education in Relation to GDP	121
41	State Government Expenditure on Education in Relation to Gross SDP (1996-97) At Current Prices	122
42	Expenditure on Education By All Departments (Revenue Account) (1996-97)	132
43	Sharing of Plan and Non-Plan Educational Expenditure Between Centre and States (1996-97)	133
44	Ratio of Central and State Governments (Plan and Non-Plan) As six per cent of GDP	135
45	GAP of Expenditure on Education in Relation to Six Per Cent of GDP at 1996-97 Level	137

## CHAPTER-1

### Introduction

#### Section I

##### Constitution of the Expert Committee

I.0 The National Agenda for Governance (1998), which represents the common agenda for the present coalition Government that assumed office in March, 1998, has promised to "formulate and implement plans to gradually increase the governmental and non-governmental spending on education up to 6% of the GDP".

In order to assess the present position of expenditure on education and devise a strategy for increase of spending on education, both at the Centre and in the States, the Planning Commission has set up an Expert Committee with the following terms of reference:

- (i) To assess the current status of the expenditure on education, both in the public and private sector and its proportion to GDP and
- (ii) To recommend implementational strategies for general increase of governmental and non-governmental spending on education up to 6 % of the GDP.

The notification constituting the committee is at Annexure-I

The origin of this promise may be traced back to the recommendation of the Education Commission of 1966 (also known as Kothari Commission). The Commission had recommended that :

"the proportion of the national income devoted to education in India is small in comparison with that in advanced countries of the world. The Commission observed: the absolute amount per capita spent by us on education is about one-hundredth of that spent by a highly

nationalised country like U.S.A. This reflects the close interaction and interlocking between the level of education and the level of nationalisation Japan, U.S.A and U.S.S.R spending considerably more than 6% of the GNP on education, about twice as much as India" (1).

The Commission expressed the hope that the proportion of GNP allocated to education would rise from 2.9% in 1965-66 to 6.0% in 1985-86.

2.0 So far as the sources of finance for the Education Sector are concerned, the commission was of the view that bulk of the responsibility for the support of education would have to be borne by governmental (Central and State) agencies. However, a total centralisation of all financial responsibilities in the government would not be desirable. Attempts should be made to raise contributions from local communities, voluntary organisations and local authorities for this purpose. This would stimulate local initiative and parental interest in education and help to raise standards. The assistance of the local community should be mobilised through the organisation of school improvement conferences and creation of school funds. In order to provide financial support to schools generally, Zila Parishads should be allowed and encouraged to raise funds by levying a cess on land revenue.

-----

(1) Education And National Development : Report of the Education Commission : 1964-66. National Council of Educational Research And Training : Vol. 4, 1970, P.860

The State Governments should prescribe the minimum rate of the levy and authorise the Zila Parishads to raise it to a certain prescribed maximum. In order to stimulate the collection of funds, the State Governments should give grants-in-aid proportionate to the additional revenue thus collected by the Zila Parishads.

3.0 The commission felt that the Central Government should assume larger financial responsibilities for education by spending on central and centrally sponsored schemes. These should have the following characteristics:

1. These should include programmes of crucial importance which are national in character.
2. In the Centrally Sponsored Sector, it should be possible for some programmes to vary from state to state according to their needs.
3. Central assistance for programmes in the Centrally Sponsored Sector should be given for 5 years, which may in certain cases be continued upto 10 years and not for plan periods only, as was the practice at that time.

#### **Reiteration of the Commitment of 6% expenditure on Education**

4.0 The recommendation of Kothari Commission was accepted by the National Policy on Education 1968 in the following terms:

"The reconstruction of Education on the lines indicated above will need additional outlay. The aim should be gradually to increase the investment in education so as to reach a level of expenditure of 6% of national income as early as possible".

It is seen that no time limit for reaching the target ratio was laid down. Moreover, the target ratio appears to have been treated as a ceiling limit.

However, NPE 1986 appears to commit Govt. to a time limit and to treat the target ratio as a floor which should be gradually exceeded. To quote : 'the outlay on education will be stepped up to the extent essential for policy implementation in the Seventh Plan. It will be ensured that from the Eighth Five Year Plan onwards, it will uniformly exceed 6% of the National Income.' This was reiterated in the Revised Policy on Education (1992).

The Review Committee on National Policy on Education, (Acharya Ramamurthy Committee), and several reports of the Central Advisory

Board of Education have repeatedly expressed the view that six per cent of national income should be devoted to education from the government exchequer- central and state combined.

#### **International Comparisons**

5.0 Since international comparisons formed an important basis for the recommendation of the Kothari Commission, it is significant to note that most international statistics available from Unesco (e.g., Unesco Statistical Yearbook and World Education Report), World Bank (e.g., World Tables), OECD (e.g., Education at a Glance: OECD Indicators), UNDP (e.g., Human Development Report), several regional studies (e.g., 'Human Development in South Asia, 1998' by Mahabub ul Haq and K. Haq) and national level statistics on educational expenditures in other countries refer to public expenditures only (For example see Table-1). These statistics rarely include private expenditures on education.

Further, UNDP has estimated several ratios of expenditures such as social allocation ratio, social priority ratio, human expenditure ratio and public expenditure ratio in its Human Development Reports. It is important to note that all these ratios refer only to public expenditures.

#### **The Significance of Private Expenditure on Education**

5.1 It should not be supposed from the above that computation and accounting of private expenditure on education lacks any significance. As noted in para 2 above, Education Commission emphasised the need to raise contributions from the local community and the voluntary organisations, which would have the effect of stimulating local initiative and parental interest in education and help to raise standards. At the inception of the First Five Year Plan (1950-51) non-Govt. expenditure on education as captured by official statistics was 38.3% of total expenditure which fell to 29% in 1960-61, (Vide p.298, Supplementary volume II of Report of Education Commission-Ministry of Education, 1970). It continued to fall, having been estimated at 13% in 1979-80. The Education Commission estimated that it had fallen to 10% or less by 1985-86. Education Commission's analysis of past trends as well as future projections included the following elements of private expenditure:

- (i) Fees paid by the students for education
- (ii) 'Others' including donations, endowments and other miscellaneous sources. However, Education Commission appears not to have included following items of expenditure.

Expenditure incurred by students and guardians on education on items other than fees viz. books, stationery, uniforms, hostels, transport, etc.

- Expenditure figures of unrecognised institutions.
- Expenditure incurred by registered societies, trusts and corporate sector - both public and private.

It is a common observation that non-fee expenditure on education by guardians is much more than fees. Unless, we take account of various items of private expenditure as enumerated above, we cannot get an idea of the total national effort on education. As observed by well-known economist F. Edding \* in his article "Total expenditure on Education comprising public expenditure on education and private expenditure on education is the most comprehensive measure of educational effort of a nation and a proxy for value attached to education by the society."

It is true that UNESCO & UNDP operate with public expenditure data only. However, this is because of non-availability of statistics relating to private expenditure across nations.

There is also a technical point about comparison of any magnitude of expenditure with national income data which will invariably be the denominator. When the denominator inevitably includes both public and private income, any proper nominator in the form of expenditure should logically comprise both public and private expenditure. Otherwise, the comparison will not be meaningful.

---

\* F. Edding "International Trends in Educational Expenditure" (Bowman Mary Jean (Edited): Readings in the Economics of Education, UNESCO, Paris 1968).

A related substantive point is that public expenditure to GNP ratio could be high in countries where public sector predominates and would be low in countries where private sector predominates. The ratio would not be comparable, as it would not indicate the total effort devoted by the nation for education.

Incidentally, we may consider the case of a comparable social sector viz. health. It is generally supposed that public-private proportion of expenditure in health sector in India is 1:2 (as against the corresponding proportion in education sector approximately of 2:1). In regard to this sector, inclusion of private expenditure in total expenditure is common as seen from the following quotation from an ADB Publication.\*

"In most countries, about two-thirds to three-fourths of the total expenditure on health comes from private resources, viz. household budgets. Taking both public & private expenditure, health services were estimated to use up 2 to 3% of GNP and Health expenditure may need to go up to 5-6% if the goals of Health For All are to be effectively met. Indeed... in the US... the share of health expenditure in the GNP increased steadily from 4.4% in 1950 to 10% in 1985." In this connection, we may refer to the valuable observations of the Baroda Economist Prof. K.R. Shah. (Issues in outlay on Education: in K.R. Shah: Essays on Economics of Human Resources p.97 (1997 Rohtak: Spell-bound Publications)

-----

\* (Healthcare Financing : Proceedings of Regional Seminar, 1987, P.27.



"If the objective is simply to have an idea of the effort made by the welfare state, it is the govt. expenditure on education that matters. On the other hand, if the total effort (i.e. public as well as private) that has gone into the expansion of the education sector is to be judged and also the respective roles performed by the two funding agencies in sharing the responsibility, it is better to combine the recorded institutional outlay (i.e. public expenditure + private sector's contribution in the form of fees & endowments) with the unrecorded household expenditure on education. The estimation of total educational outlay also enables one to study the behavioural pattern of these two sectors during the process of economic growth regarding financing of education and its sub-sectors.

Incidentally, reference may also be made to an article by Shri M.R. Kolhatkar, Ex-Adviser (Education), Planning Commission.\* who had emphasised the need for having an overall picture by including private expenditure and had concluded, on certain assumptions, that the ratio achieved in 1987-88 was 5.44% and had approximated the target ratio. It is only fair to observe that Kolhatkar had noted that further studies, not only of private but also public expenditure, were needed and that 6% ratio was not sacrosanct and may have to be raised in the context of the goals of universalisation of elementary education and eradication of adult illiteracy.

-----  
\* [M.R. Kolhatkar (1988): Educational Expenditure in India in relation to National Income (1980-88) Trends and Implications : Journal of Education & Social Changes II (2)]

### **Tentative result of survey**

6.0           The tentative conclusion that one draws from a survey of literature is that in view of the historical evolution of the target ratio of 6%, especially Education Commission and NPE (1968, 1986, 1992) and keeping in view the practice of international comparisons affected by the problems of data availability, we should consider that 6% ratio should refer to public expenditure only but that in order to have an idea of total national effort in the field of education especially in the context of increasing need for public-private sector collaboration, we should also have an additional target ratio which includes both public and private expenditure.

Table 1:  
Public Expenditure on Education, 1980-92

	US\$ (billions)				Percentage of GNP			
	1980	1985	1990	1992	1980	1985	1990	1992
WORLD TOTAL*	526.7	566.2	1017.0	1196.8	4.9	4.9	4.9	5.1
Developing countries of which:	102.2	101.2	163.4	209.5	3.8	4.0	4.0	4.2
Sub-Saharan Africa	15.8	11.3	15.2	16.0	5.1	4.8	5.3	5.7
Arab States	18.0	23.6	24.7	26.0	4.1	5.8	5.2	5.6
Latin America/Caribbean	34.2	28.9	47.1	56.8	3.9	4.0	4.1	4.4
Eastern Asia/Oceania	16.0	20.1	31.8	41.4	2.8	3.2	3.0	3.1
of which: China	7.6	7.7	9.1	9.8	2.5	2.6	2.3	2.0
Southern Asia	12.8	14.7	35.8	60.4	4.1	3.3	3.9	4.4
of which India	4.8	7.1	11.9	10.0	2.8	3.4	4.0	3.7
Least-developed countries	3.1	2.7	4.2	4.1	2.7	2.8	2.9	2.8
Developed countries* of which	424.5	465.0	853.6	987.3	5.2	5.1	5.1	5.3
Northern America	155.1	221.6	330.2	369.7	5.2	5.1	5.4	5.7
Asia/Oceania*	73.0	79.3	160.8	225.5	5.8	5.1	4.8	4.8
Europe	196.3	164.2	362.6	419.3	5.1	5.1	5.0	5.2

\* Excluding countries of the former USSR.

Source: Report to UNESCO of the International Commission on Education for the Twenty-First Century  
"Learning: The Treasure Within" by Jacques Delors (Edited), p.163 UNESCO, 1996.

## Section II

### System of Classification of Government Expenditure on Education :

7.0 Government expenditure on Education is recorded in the budget documents prepared by Central and State governments. The expenditure in the Government Budgets is generally classified department-wise in order to secure legislative control, administrative accountability, booking and auditing for any act of spending.

The budgets are also presented under a few standard account heads of an organisational character like education, health, industry, defence etc and not necessarily in accordance with a functional classification. Conventional government accounts are usually not suitable for the purpose of analysing the trends in government outlays on particular functions, since these reflect the organisational structure of government and time series may be distorted by organisational changes. For example, if the government establishes a new department that brings together some of the functions previously administered by several departments, it will not usually be possible to use conventional government accounts to compare expenditure on these functions over time.

8.0 To enable trends in government outlays on particular functions to be examined over time, Functional Classification of the Functions of the Government (COFOG) has been recommended in the System of

National Accounts. Under this scheme of classification, the expenditure of the government is classified according to function. For instance, expenditure on medical colleges and other health educational institutions would be classified under education, even though these are shown under the head 'medical' in the budget documents.

9.0 Major 'purpose-classes' under which the expenditure of the Administrative Departments is classified are as under:

1. general public services
2. defence
3. education
4. health
5. social security and welfare services
6. housing and community amenities
7. cultural, recreational and religious services
8. economic services
9. other services

9.1 Among the various purposes as stated above, education is one of the most important functions of government. Expenditure on education can be classified into the following three groups:

- a) general education provided in schools, colleges, universities, centres of higher learning & research and any other institutions providing specialised training;

- b) in-service training or on-the-job training for employees of different government or semi-govt. offices;
- c) apprenticeship or similar other training in specialised fields organised for persons, with the objective of giving them employment on evaluation of their training performance.

9.2 Expenditures incurred for the kinds of teaching/learning as in (a) above are classified as educational expenses whereas the expenditures for groups (b) & (c) are classified in accordance of the character of the institution organising such training.

9.3 Medical schools and colleges, engineering schools and colleges and nursing schools are grouped under the purpose-class 'education', though they are reported in the budget documents against account heads for health, industry etc. The educational activities, which are an integral part of other services, are, however, counted along with the respective services. Expenditures on in-service training imparted in police training schools, prison reformatory schools and probationary training of administrative officials etc. are taken as expenditures for police, jail and general administration respectively. All scholarships for students are treated as educational expenses irrespective of the source of financing. Similarly all Physical Training colleges and other educational institutions imparting such training form part of education.

Almost all medical colleges are attached with hospitals. Expenditures made for medical education & research are separated out for classifying them as educational expenses. Similarly expenses for schools run by BSF, CISF etc are separated out from the budgets of the concerned ministries for treating them as educational expenditure. School/college buildings constructed by CPWD or PWD are also classified under education. Expenditures on education incurred by Defence and Railways are not covered.

### **Classification of Educational Expenses**

All educational expenses by administrative departments are classified into two sub-groups as under:

#### **I Administration, Regulation and Research**

9.4 Expenditures under this head include:

- (a) Administration of Ministries or central departments of education i.e., expenditure in the Departments of Education, Directorates of Education, etc.
- (b) General regulation and promotion of school system, institutions of higher learning and adult and other educational activities i.e., expenditure on Board of Higher Secondary Education, University Grants Commission, etc.
- (c) Research into objectives, organisation, administration and methodology of all types of education i.e., grants to National Council of Educational Research and

Training, Commission to Study Educational System, expenditure on production of text books, collection of educational statistics etc.

## **II Universities, Schools and other Educational Facilities**

9.5 This head includes expenditures like:

- (a) Educational services i.e., all types of expenditure on primary and secondary schools, colleges, universities, technical training institutes like medical colleges and schools (including attached hospitals), nursing colleges/schools, veterinary colleges/schools, engineering colleges, art schools/colleges, music colleges and schools etc. This includes all expenditure on education for backward classes, adult education, education for displaced persons, and non-custodial type schools for deaf, dumb and blind. Items of expenditure like introduction of Hindi in Universities, Development of Sanskrit Education, Central Institute of Fisheries Education, Marine Engineering Training Schools etc., are also included. Expenditure on custodial type schools for deaf, dumb and blind is, however, excluded and grouped under welfare services (class 5). Expenditures for development of any language like Sanskrit or Hindi are also excluded and classified as cultural services.



- (b) Scholarships for education and research i.e., all types of scholarships for study in schools, colleges, universities or for research in any subject in India or abroad, including payment of maintenance allowances for students doing research or study. (This does not include maintenance allowance for in-service trainees).
- (c) Loans or grants for education i.e., grants to Universities, colleges, schools, educational institutions or to individuals.
- (d) Subsidiary educational services i.e., expenditure for mid-day meals for students, free transport to attend schools, colleges etc., or free supply of textbooks or any other facilities to enhance attendance in schools.
- (e) Grants given to Local Bodies by the Central and State Governments for education are treated as part of educational expenses of source authorities. As the purpose classification of expenditure by Local Bodies is not prepared and not included at all-India level, such grants are treated as transfer receipts for education, in the absence of further details of their utilisation. Similarly, grants given to UGC by Central Government are treated as transfer to non-government bodies for education.

### Section III: Sources of Data

**A : National Accounts Statistics (Department of Statistics,  
Ministry of Planning and Programme Implementation, GOI).**

10.0 In the present exercise, we have used data relating to public expenditure on education from the following sources:

(a) National Accounts Statistics (Department of Statistics, GOI), which present the economic and purpose classification of the expenditure of the administrative departments (Centre and States) following the classification scheme recommended in the System of National Accounts. As per this classification, the expenditure on education is classified under two broad heads, namely, (I) Administration, Regulation and Research and (II) Universities, Colleges, Schools and other subsidiary educational institutions. The purpose-classification of the expenditures of the local authorities is not available. However, the grants given to local authorities are included in the purpose-classification. The basic sources of information for preparing the purpose-classification of the government expenditure are the budget documents of the Central Ministries and those of the States.

However, it may be noted that this excludes (a) public expenditure on education incurred by Defence, Railways and Commercial enterprises of the various Ministries (b) M.P., Local Area Development Scheme (MPLADS) of the Department of Programme Implementation (c) JRY/ Employment Assurance Funds used for construction of schools/additional rooms in the Ministry of Rural Areas and Employment. These schemes are separately examined.

**B : Ministry of Human Resource Development, GOI.**

11.0 The Ministry of Human Resource Development is also collecting information from the State Governments and compiling in detail the financial returns from the States as well as Central Government in terms of Plan and Non-Plan expenditure sector-wise/state-wise. This publication of the Ministry is entitled 'Analysis of Budgeted Expenditure on Education'. The limitation of this data is that it does not account for Plan and Non-Plan expenditure incurred by local bodies from their own account, though it includes expenditure in the form of transfer grants received from the State Governments to them. The data is reflected separately under Revenue and Capital heads. The publication provides three sets of budgetary statistics, the budget estimate of a particular year, the revised estimate of the previous year and the actual expenditure of the year before that.

The tables of expenditure indicate the transfer of resources from the Central Government to the State Governments and from the State Governments to the local bodies. As such, the assistance given by the Centre to the States under Centrally Sponsored Schemes gets accounted

for twice; first as an expenditure of the Central Government and again as an expenditure of the State Governments. The flow of funds to the States under the Centrally Sponsored Schemes, therefore, needs to be identified and deducted from the expenditure of the State Governments to avoid double counting.

The data contained in the publication are being compiled from the demands for grants of the Central Ministries and the budget documents of the States and UTs as presented in the respective legislatures.

**Expenditure on Education by Departments other than Education Department.**

12.0 This publication also includes expenditure pertaining to departments other than the departments of education, which incur some expenditure on education. It is desirable to add the pertinent budget estimates of these departments to get the total picture of public expenditure on education in the country. The expenditure in other departments includes the expenditure on research and training (formal and non-formal) by various departments of the States and the Centre such as departments of Arts, Culture, Agriculture, Health, Industry, Labour etc. It, however, excludes a portion of the budget provision which relates to training facilities provided by such departments to their employees for improving their professional skills, through in-service training courses.

**Construction of School Buildings/Rooms under Jawahar Rozgar  
Yojana (JRY) Scheme.**

13.0 In addition, there are additional funds provided under the Jawahar Rozgar Yojana (JRY) scheme which is operated by the Ministry of Rural Areas and Employment. Construction of school buildings/additional rooms is one of the items funded under the scheme.

## CHAPTER-2

### **Analysis of Public Expenditure on Education :**

#### **Expenditure on Education (National Accounts System) :**

14.0 Table 2 indicates the quantum of public expenditure on education between 1990-91 and 1996-97. As is seen from the Table, public expenditure on education (excluding the local bodies' own share and public expenditure incurred by Departmental/Commercial Enterprises like Defence, Railways etc.) amounted to Rs. 43,020.16 crore in 1996-97 as compared to Rs. 19,719.16 crore in 1990-91. The major proportion (97.47 per cent in 1996-97) was spent on current expenditure. There was no perceptible change in the proportion of current expenditure since 1990-91, when it was 96.66 per cent. The expenditure under Capital Account was quite low, indicating that the system of public expenditure on education was under pressure to meet the committed liability on current account.

#### **Share between Centre and State Governments :**

14.1 It is quite significant that a major part of the public expenditure is incurred by the States. The Centre's expenditure in 1990-91 was only 7.97 per cent, while the remaining 92.03% pertained to the States/UTs. In 1996-97, the Central share remained the same.

**Table 2**  
**Expenditure on Education**  
(1990-91 - 1996-97)

(Rs. in crores)

Year	States		Centre*		Grand Total		
	Current Expenditure	Capital Expenditure	Current Expenditure	Capital Expenditure	Current Expenditure	Capital Expenditure	Total
1	2	3	4	5	6	7	8
1990-91	17631.99	582.52	1499.00	77.65	19130.99 (96.66)	660.17 (3.34)	19791.16 (100.00)
1991-92	19594.87	600.36	1639.00	79.46	21233.87 (96.99)	679.82 (3.10)	21913.69 (100.00)
1992-93	22276.86	546.78	1793.00	105.61	24069.86 (97.36)	652.39 (2.64)	24722.25 (100.00)
1993-94	25116.58	611.86	1709.00	59.26	26825.58 (97.56)	671.12 (2.44)	27496.70 (100.00)
1994-95	29029.96	839.95	2146.12	91.97	31176.08 (97.10)	931.92 (2.90)	32108.00 (100.00)
1995-96	33069.91	820.11	2893.26	104.81	35963.17 (97.49)	924.92 (2.51)	36888.09 (100.00)
1996-97	38577.68	1013.77	3354.89	73.82	41932.52 (97.47)	1087.59 (2.53)	43020.16 (100.00)

Source: Department of Statistics, Ministry of Planning & Programme Implementation.

Figures in brackets indicate percentages.

\* includes UTs.

## **Analysis of Public Expenditure on Education by way of**

### **Economic and Purpose classification:**

15.0 Table 3 classifies public expenditure on education by way of functions. This functional classification divides the public expenditure on education into two broad categories :

- (a) Administration, Regulation and Research.
- (b) Universities, Colleges, Schools and Other Subsidiary Educational Institutions.

It will be seen that a major portion of the public expenditure falls under (b) category. In 1990-91, this category accounted for 96.79 per cent of the total expenditure, while in 1996-97 it came down to 98.02 per cent. This is because Category (b) is composed of the major elements of the educational system like universities, colleges, schools, and subsidiary educational institutions which have not only to cope with existing operations but also carry on their shoulders the weight of expansion.



**Table 3:  
Economic and Purpose Classification of Educational Expenditure**

(Rs. in crores)

Year	Administration Regulation and Research (Purpose Code:3.1)		Universities, colleges, schools and other subsidiary Institutions (Purpose Code 3.2)		Grand Total		
	Current	Capital	Current	Capital	Current	Capital	Total
1	2	3	4	5	6	7	8
1990-91	610.37	24.19	18520.62	635.98	19130.99	660.17	19791.16
1991-92	831.21	13.45	20402.66	666.37	21233.87	679.82	21913.69
1992-93	1230.52	20.03	22839.34	632.36	24069.86	652.39	24722.25
1993-94	1341.96	3.97	25483.62	667.15	26825.58	671.12	27496.70
1994-95	1843.32	7.39	29332.76	924.53	31176.08	931.92	32108.00
1995-96	1553.12	6.84	34410.05	918.08	35963.17	924.92	36888.09
1996-97	2109.24	33.67	39823.33	1053.92	41932.57	1087.59	43020.16

**Additional Public Expenditure on Education :**

16.0 As stated earlier, The National Accounts System does not cover expenditure being incurred by (a) commercial and departmental institutions like Railways, Defence etc. and (b) Capital Expenditure covered under Jawahar Rojgar Yojana (JRY) Scheme implemented by the Ministry of Rural Areas and Employment. Under this scheme, primary school buildings\additional rooms are constructed in rural areas to create community assets on the one hand and provide employment to the people on the other. For the urban areas, there is no data available, though there are two schemes meant for employment generation namely (i) Scheme for Urban Micro-Enterprises (SUME) and (ii) Scheme for Housing and Shelter upgradation under Nehru Rojgar Yojana. However, under JRY (Ministry of Rural Areas and Employment), data has been made available. Table 4 indicates the physical and financial components meant for school buildings/additional construction units in rural areas.

Table 4

Primary School Buildings constructed under JRY Scheme: Rs. in lakh)

Year	Funds Utilised For School Buildings	Total Funds Utilised Under JRY	No. of school Buildings constructed (Nos.)
1989-90	11604.20	197696.25	34677
1990-91	13448.66	195991.07	38490
1991-92	11830.18	232539.58	31403
1992-93	11591.04	243542.53	28514
1993-94	16575.21	295615.64	38058
1994-95	8706.21	249428.39	22601
1995-96	4203.22	234099.16	7274
1996-97	11210.25	145499.83	21100
Total	89168.97	1794412.45	222117

Source: Annual Report: 1997-98: Government of India, Ministry of

Rural Areas And Employment: Annexure VII. (P,151).

**Estimated Expenditure incurred on education under Members of Parliament Local Area Development Scheme :**

16.1 There is another source known as Members of Parliament Local Area Development Scheme, where each Member of Parliament has the prerogative of suggesting to the concerned District Collector, works to the tune of Rs. 1 crore now raised to Rs. 2 crore per year to be taken up in his/her constituency. The scheme is operated by the Department of Programme Implementation. The financial provision for this scheme is included in the Plan as part of Central Assistance for State Plans.

The Department has provided some estimates of expenditure for the years 1994-95, 1995-96 and 1996-97. These are based on the assumption that the rates of expenditure incurred on school buildings out of the total resources utilised for JRY would also be applicable to MPLAD. On all India basis, the estimates are given in Table 5 :

Table 5

**Estimated Expenditure on Education under MPLAD**

(Rs. in crores)

Year	Expenditure on Education
1994-95	16.08
1995-96	18.09
1996-97	39.17

Source : Ministry of Planning and Programme Implementation.

**Additional Public Expenditure on Education by  
Departmental/Commercial Organisations :**

16.2 There are a number of educational institutions run by Railways. These vary in range from Primary Schools to degree colleges.

The details of educational institutions funded during the 8th Plan period are as under:

	<u>Nos.</u>
(i) Degree Colleges	1
(ii) Inter Colleges	11
(iii) Kendriya Vidyalayas - (Projects section - fully financed by the Railways)	6
(iv) Senior Secondary Schools	37
(v) High Schools	47
(vi) Middle Schools	27
(vii) Primary Schools	127
(viii) Austerity Type Primary Schools	337
Total	----- 593 -----

In addition to the above, there are 63 Kendriya Vidyalayas in the civil sector, to which land and accomodation for 50% of the staff have been provided by the Railways. Expenditure incurred by Railways on educational institutions is given in Table 6.

Table 6

Railways Expenditure on Education during Eighth Plan

(Rs. in crore)

Year	Revenue Expenditure of Recurring nature incurred on the Railways Educational Institutions during the 8th Plan Period.
1992-93	32.71
1993-94	36.09
1994-95	37.81
1995-96	42.41
1996-97	48.32
<b>Total</b>	<b>197.34</b>

## Public Expenditure on education By Defence Ministry

16.3 The Defence Ministry has also established educational institutions as a welfare measure as well as for promoting the career of youth for defence services. During the 8th Five Year Plan, the recurring and capital expenditure on such institutes were as shown in the Table 7:

Table 7

### Expenditure on Education during Eighth Plan (Ministry of Defence)

(Rs. in crore)

Year	Recurring expenditure	Capital expenditure	Total expenditure
1992-93	25.20	2.00	27.20
1993-94	27.93	2.90	30.83
1994-95	39.00	9.10	48.10
1995-96	43.92	1.40	45.32
1996-97	40.40	10.00	50.40
Total	176.45	25.40	201.85

**Expenditure on Education (Data Source - MHRD) :**

17.0 Another source of data on public expenditure on education is Ministry of Human Resource Development (MHRD). MHRD analyses public expenditure on Education by State /Central Governments in terms of Plan and Non-Plan spending and by stages of education and objectives. The major limitation of this data is that it does not represent the net public expenditure of government. The transfer of grants-in-aid from centre to states and states to local bodies are shown at each level thus causing multiple counting. At the same time, the data is significant because it provides figures of expenditure for each stage of education and by objectives. The budgetary expenditure is also divided into revenue and capital accounts.

Another important aspect is inclusion of public expenditure on education incurred by

- (a) Education Departments of the Central Government/UT Administrations.
- (b) Education Departments of the State Governments,
- (c) Departments other than Education.

17.1 Table 8 shows the Plan and Non-Plan expenditure on education incurred by the Departments of Education of States/UTs and the Central Government under Revenue Account. The table presents the trend of expenditure from 1990-91 to 1996-97.



TABLE - 8

REVENUE EXPENDITURE ON EDUCATION BY EDUCATION DEPARTMENTS

(Rs. in crores)

Year	Centre			States/UTs			Total Expenditure (Rs. Crores)		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
(1)	(2)	(3)	(4) = (2+3)	(5)	(6)	7 = (5+6)	8 = (2+5)	(9) = (3+6)	(10) = (8+9)
1990-91	882.68	760.53	1643.21	1248.04	14302.41	15550.45	2130.72	15062.94	17193.66
(Actuals)	(53.72)	(46.28)	(100.00)	(8.03)	(91.97)	(100.00)	(12.39)	(87.61)	(100.00)
1991-92	952.60	761.47	1714.07	1413.20	15630.34	17043.54	2365.80	16391.80	18757.61
(Actuals)	(55.58)	(44.42)	(100.00)	(8.29)	(91.71)	(100.00)	(12.61)	(87.35)	(100.00)
1992-93	1002.27	795.03	1797.30	1555.56	17600.11	19155.67	2557.83	18395.14	20952.97
(Actuals)	(55.77)	(44.23)	(100.00)	(8.12)	(91.88)	(100.00)	(12.21)	(87.79)	(100.00)
1993-94	1217.37	878.96	2096.33	1903.36	19413.41	21316.77	3120.73	20292.37	23413.10
(Actuals)	(58.07)	(41.93)	(100.00)	(8.93)	(91.07)	(100.00)	(13.33)	(86.67)	(100.00)
1994-95	1653.67	909.34	2563.01	2587.47	22081.67	24669.14	4241.14	22991.01	27232.15
(Actuals)	(64.52)	(35.48)	(100.00)	(10.49)	(89.51)	(100.00)	(15.57)	(84.43)	(100.00)
1995-96	2502.55	1145.36	3647.91	3762.54	25048.23	28810.77	6265.09	26193.59	32458.68
(RE)	(68.60)	(31.40)	(100.00)	(13.06)	(86.94)	(100.00)	(19.30)	(80.70)	(100.00)
1996-97	3386.02	1092.40	4478.42	4458.34	27592.53	32050.87	7844.36	28684.93	36529.29
(BE)	(75.61)	(24.39)	(100.00)	(13.91)	(86.09)	(100.00)	(21.47)	(78.53)	(100.00)

Source: Department of Education, Ministry of HRD.

Figures in brackets indicate percentages to total.

The following trends may be discerned from this table :

- (i) The quantum of absolute expenditure in 1996-97 (B.E.) increased more than two times over the 1990-91 figure, from Rs.17193.66 crore in 1990-91 to Rs.36,529.29 crore in 1996-97.
- (ii) The share of Central Government in the total budget, which was 9.56 per cent in 1990-91 increased to 12.26 per cent in 1996-97.
- (iii) The Plan component of the education budget in 1990-91 was 12.39 per cent, which increased to 21.47 per cent in 1996-97.
- (iv) The share of the Central Government in the Plan Component of the budget was 41.43 per cent in 1990-91, whereas that of the State Government was 58.57 per cent. In 1996-97 the corresponding ratio for the Centre increased to 43.17 per cent and the States/UT's share declined to 56.83 per cent.
- (v) The overall average annual growth rate in public expenditure works out to 13.43 per cent between 1990-91 and 1996-97.

The corresponding growth rates for plan and non-plan components are 23.65 per cent and 11.34 per cent respectively

**Percentage share of Plan and Non-Plan in the Expenditure on  
Education By Education Departments**

17.2 The trends in sharing of both Plan and non-plan components of public expenditure between central and state Govt./UT Administration are reflected in Table 9. The share of the UTs is fully borne by the Central Government. The expenditure could as well be as counted for as the contribution of the Central Government.

We can deduce two observations from the table:

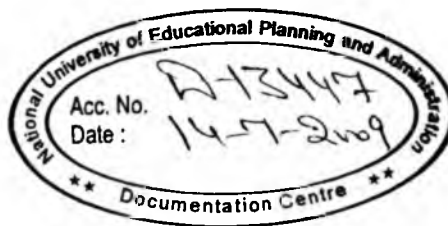
(i) The percentage of plan expenditure to total expenditure both at the centre as well as in the States/UTs has appreciably increased over the years. In case of the Central Government, the Plan Component comprised 53.72 per cent in 1990-91, which has gone up to 75.61 per cent in 1996-97. This may be attributed to increased dispensations in Centrally Sponsored Schemes (CSS) launched by the Central Government over these years. However, on the expiry of a plan period, the major share of the CSS expenditure is transferred to the States and the local bodies.

TABLE-9

**PERCENTAGE SHARE OF PLAN AND NON-PLAN EXPENDITURE ON EDUCATION BY  
EDUCATION DEPARTMENTS**

Year	Centre			States/UTs			Total		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
1990-91	53.72	46.28	100.00	8.03	91.97	100.00	12.39	87.62	100.00
1991-92	55.58	44.42	100.00	8.29	91.71	100.00	12.61	87.39	100.00
1992-93	55.77	44.23	100.00	8.12	91.88	100.00	12.21	87.79	100.00
1993-94	58.07	41.93	100.00	8.93	91.07	100.00	13.33	86.67	100.00
1994-95	64.52	35.48	100.00	10.49	89.51	100.00	15.57	84.43	100.00
1995-96	68.60	31.40	100.00	13.06	86.94	100.00	19.30	80.70	100.00
1996-97	75.61	24.39	100.00	13.91	86.09	100.00	21.47	78.53	100.00

Source: The Deptt. of Education, Ministry of HRD.



(ii) In the State Sector also, the plan component has increased from 8.03% in 1990-91 to 13.91 per cent in 1996-97. It is not clear from the state-budgets as to how much of the plan component is the state's own share and how much are the receipts transferred from the central sector under the various CSS schemes.

**Expenditure on Education by other Departments:**

18.0 Departments other than Education also spend on education. These departments do not fall under the Ministry of Human Resource Development both at the Centre and the States/UTs. Table 10 shows the expenditure, on revenue and capital account, both at the centre and in the States\UTs from 1991-92 to 1996-97. The quantum of expenditure in 1991-92 was Rs. 3636.08 crore, which increased to a level of Rs. 6883.15 crore in 1996-97. If we compute the percentage that this amount bears to be total expenditure of the Education Department, it comes to 19.38 percent in 1991-92. and 18.84 percent, in 1996-97.

TABLE - 10

## Revenue Expenditure on Education by Other Departments

(Rs. in Crores)

Year	Centre	State/UTs	Total
1991-92 (Actuals)	767.45	2868.63	3636.08
1992-93 (Actuals)	1056.88	3020.45	4087.33
1993-94 (Actuals)	1514.55	3352.04	4866.59
1994-95 (Actuals)	1263.74	4110.33	5374.07
1995-96 (R.E.)	1794.24	4764.91	6559.15
1996-97 (B.E.)	1881.93	5001.22	6883.15

Source : Analysis of Budgeted Expenditure on Education (Annual Series)  
GOI, MHRD, Department of Education, Planning & Monitoring Unit,  
New Delhi.

**Budgeted Capital Expenditure on Education By Education  
and other Departments.**

19.0        Some expenditure is also incurred under Capital Head of Account, which has to be added to the revenue expenditure in order to arrive at the figures of total expenditure on education. Table 11 presents data on capital expenditure for the years 1991-92 to 1996-97, both at the central and State levels.

**Table 11 :**  
**Budgeted Capital Expenditure on Education (less Loans and Advances) By Education & other Departments.**

(Rs. in Crore)

Year	Centre			State/UTs		
	Education Deptt.	Other Deptts.	Total	Education Deptt.	Other Deptts.	Total
1991-92 (ACTUALS)	-	-	-	240.51	-	240.51
1992-93 (ACTUALS)	-	-	-	268.74	-	268.74
1993-94 (ACTUALS)	-	-	-	317.12	-	317.12
1994-95 (ACTUALS)	-	-	-	267.17	-	267.17
1995-96 (R.E.)	0.02	-	0.02	274.51	-	274.51
1996-97 (B.E.)	0.02	-	0.02	298.25	-	298.25

Source : Analysis of Budgeted Expenditure on Education, 1991-92 to 1996-97. GOI, MHRD. (Deptt. of Education), Planning & Monitoring Unit (Annual Series).



It is evident from the table that capital expenditure accounts for a small portion of the total expenditure on education. In 1991-92, the amount was just Rs. 240.51 crores, which increased to Rs. 298.25 crore in 1996-97.

19.1 Expenditure on Education (total of Education Departments and other Departments)

Table 12 indicates the total expenditure on education both of Department of Education and other Departments as reflected in Table 8, 10 and 11. Thus according to MHRD data, expenditure on education (total) in 1996-97 was Rs. 43,710.69 crore. If we account for expenditure under NAS (Table 3) as well as expenditure under JRY, MPLAD, Ministry of Railways, Ministry of Defence for 1996-97, it amounts to Rs. 432711.11 crore which is less than what is estimated by the MHRD. As indicated earlier, in MHRD estimates, the transfer of Grants-in-aid from Centre to States and States to localbodies are shown at each level this causing multiple counting hence higher expenditure. It may also be added that net pension expenditure (expenditure - receipt) of the Centre and States are included in the economic and purpose classification of the public expenditure in the National Accounts Statistics. As regards, Provident Fund, no expenditure is reported in the expenditure budget of the Government and presumably no contribution is made by the Government towards Provident Fund. The salary expenditure is on gross basis which has already been accounted for expenditures incurred by the Atomic Energy Commission by way of Grants to Atomic Energy Education Society and school education are included under the purpose category 3.2.

**Table:12**  
**Expenditure on Education (Centre and States)**

Year	<u>Revenue Expenditure</u>		<u>Capital Expenditure</u>	<u>Grant Total</u>
	Education Department	Other Department	Education Department + Other Department	
1	2	3	4	5
1991-92 (Actuals)	18757.61	3636.08	240.51	22634.20
1992-93 (Actuals)	20952.97	4087.33	268.74	25309.04
1993-94 (Actuals)	23413.10	4866.59	317.12	28596.81
1994-95 (Actuals)	27232.15	5374.07	267.17	32873.39
1995-96 (R.E.)	32458.68	6559.15	274.51	39292.34
1996-97	36529.29	6883.15	298.25	43710.69

Based upon Table 8,10,11.

## CHAPTER-3

### Private Expenditure on Education

#### Section-I

##### Definition

20.0 Private Expenditure on education may be divided into two major categories. The first is the private household expenditure on education. The second is the private institutional expenditure on education. "Private Household Expenditure" may be defined as the sum total of the amount spent by all households in the form of direct expenditure on education. This would take into account the expenses incurred by the students towards payment of fees of different kinds, purchase of books, stationery and uniforms, conveyance charges, private coaching, study tours and maintenance expenditure in schools and college hostels.

##### Source of Data for Private Expenditure

21.0 The main source for data relating to private expenditure on education is the National Sample Survey. In the past also, private expenditure has been surveyed ( e.g. in the 42nd Round for the year 1986-87). The latest such survey pertains to the year 1995-96 and is called the 52nd Round. The NSS has conducted this study on private expenditure as part of a larger exercise to ascertain the extent of participation in education by households in the country. The 52nd Round has taken a sample of students covering the age group of 5-24, pursuing general education. The survey includes general school education from primary to higher secondary levels, normal university education for a degree and professional education like Engineering,

Technology, Medicine and Agriculture. However, technical education (including Polytechnics, Industrial Training Institutes) has not been included in the report, as the number of persons pursuing the same was found to be very small. This is a lacuna which can be rectified in future surveys.

#### **Exemption from Tuition Fees**

22.0 Wherever tuition fees are being charged, there may sometimes be exemption from payment of tuition fees to some students on special considerations like sex, caste or tribe. The exemption may be full or partial.

#### **Private Expenditure on Education: The data for NSS 52nd Round**

23.0 In spite of a highly subsidised system of education, it is still a costly proposition even if we do not take into account the opportunity cost. Payment of fees of different kinds, expenditure on books and stationery, uniforms, conveyance, private coaching, study tours etc. for which an individual has to incur expenditure total up to a significant amount, as is evident from Table 13.

23.1 The average amount of annual private expenditure by level of education works out to Rs. 904 (rural Rs. 570 and urban Rs. 1,686). The average expenditure at primary level is Rs. 501; at middle level Rs. 915; at Sec./Hr. Secondary Rs. 1,577; and at higher education Rs. 2,923.

Table 13

**Average Annual Expenditure Per Student of Age 5-24 Years  
Pursuing General Education By Level of Education.**

Rs.]

Level of education	Rural			Urban			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Primary	305	286	297	1197	1092	1149	507	494	501
Middle	640	641	640	1590	1456	1529	904	933	915
Sec./Hr.Sec.	1192	1156	1180	2288	2136	2219	1552	1619	1577
Hr.Edn.	2283	2323	2294	3338	3260	3304	2879	2995	2923
All	605	516	570	1750	1609	1686	919	882	904

Source : National Sample Survey Organisation,  
Department of Statistics, Government of India,  
May, 1998.

NSS Fifty-Second Round. (July 1995 - June 1996)  
: Report No. 439, Table 20, P.26

**Private Expenditure By Type of Management :**

24.0 Table 14 analyses private expenditure according to the type of management involved .The survey results shows that private expenditure is highest in private unaided institutions (Rs. 1904), followed by private aided ones (Rs. 1,615), local body institutions (Rs. 628) and Government institutions (Rs. 580). Though a very high proportion of students studying in government and local body schools receive various kinds of incentives, they still have to incur some private expenditure :

Table 14

Average Annual Expenditure Per Student of Age 5-24 Years Pursuing General Education by Level of Education and By Type of Institution. (Rs.)

Level of education	Type of Institution				
	Govt	Local Body	Private aided	Private unaided	All
Primary	257	338	1181	1424	501
Middle	622	726	1346	2156	915
Second/Sr.Sec.	1236	1349	1861	3061	1577
Higher Education	2559	2415	3143	5296	2923
All	580	628	1615	1904	904

ibid:Table 22, p.26

### **Private expenditure by item of expenditure**

25.0 Table 15 seeks to find out the distribution of expenditure over various items. In rural areas, the expenditure is highest on uniforms (Rs. 125), followed by books (Rs. 111), stationery (Rs. 91) and private coaching (Rs. 64). Tuition fees amounts to only Rs. 47. But in the case of urban areas the highest expenditure is on tuition fees (Rs. 390) , followed by private coaching (Rs. 284). Uniforms figure at third place (Rs. 255), followed by books (Rs. 222) and stationery (Rs. 161).



Table 15

**Average Annual Expenditure Per Student of Age  
5-24 Years Pursuing General Education By Item of Expenditure.**

(Rs.)

Item of education	Rural			Urban			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Tuition Fee	50	41	47	410	367	390	149	150	149
Exam Fee	26	19	23	52	48	50	33	29	31
Other fees and payments	43	37	40	139	128	134	69	67	68
Books	120	99	111	229	214	222	150	137	145
Stationery	95	84	91	160	162	161	113	110	112
Uniform	123	127	125	252	258	255	159	171	161
Transport	39	25	34	117	122	119	61	58	59
Private Coaching	71	54	64	318	243	284	139	117	130
Other Exps.	37	30	34	73	68	71	47	43	45
<b>Total</b>	<b>605</b>	<b>516</b>	<b>570</b>	<b>1750</b>	<b>1609</b>	<b>1686</b>	<b>919</b>	<b>882</b>	<b>904</b>

Ibid: Table 23, p.27

**Private expenditure analysed by level and Type of Institution :**

26.0 Table 16 gives the details of private expenditure on education by location (i.e. rural/urban) level (i.e. primary, secondary etc.) and type of institution. The table shows that in 1995-96, the private cost of education amounted in all to Rs. 14,641.67 crore, of which Rs. 8,159.75 crore was in the urban areas and Rs. 6,481.92 crore in the rural areas. The major portion of the expenditure was accounted for by secondary/senior secondary institutions because of their large size, followed by Primary and Middle schools.

Table 16

**Expenditure Incurred By Students of Age 5-24 Years Pursuing General  
Education By Level of Education and Type of Institution.**

(Rs. in crore)

Level/Type of Institution	Rural			Urban			Combined		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
<b>Primary</b>									
Government	635.55	474.17	1109.72	220.29	184.91	405.20	855.84	659.08	1514.92
Local body	71.56	51.24	122.80	73.48	53.83	127.31	145.04	105.07	250.11
Private aided	145.03	84.15	229.18	444.67	349.14	793.81	589.70	433.29	1022.99
Private unaided	295.74	179.84	475.58	583.73	452.09	1035.82	879.48	631.93	1511.41
Total	1147.89	789.40	1937.28	1322.17	1039.97	2362.14	2470.06	1829.37	4299.43
<b>Middle</b>									
Government	669.01	382.57	1051.58	248.45	201.65	450.10	917.45	584.22	1501.67
Local body	66.93	43.98	110.91	66.65	53.08	119.73	133.58	97.06	230.64
Private aided	224.27	138.08	362.35	417.63	319.90	737.53	641.90	457.98	1099.88
Private unaided	129.76	61.58	191.34	309.60	226.23	535.83	439.36	287.81	727.17
Total	1089.97	626.21	1716.18	1042.33	800.86	1843.19	2132.29	1427.07	3559.36
<b>Sec./Hr.Sec.</b>									
Government	894.79	371.51	1266.30	477.39	353.45	830.84	1372.18	724.97	2097.15
Local body	80.19	26.54	106.73	65.28	57.08	122.36	145.47	83.62	229.09
Private aided	467.62	216.62	684.24	634.27	488.67	1122.94	1101.89	705.29	1807.18
Private unaided	115.27	82.45	197.72	288.17	235.74	523.91	403.45	318.19	721.64
Total	1557.87	697.12	2254.99	1465.11	1134.94	2600.05	3022.99	1832.07	4855.06
<b>Hr.Education</b>									
Government	217.70	68.15	285.85	326.66	272.67	599.33	544.36	340.82	885.18
Local body	27.68	10.89	38.57	24.84	20.97	45.81	52.52	31.86	84.38
Private aided	136.01	75.48	211.49	310.72	224.70	535.42	446.73	300.18	746.91
Private unaided	26.73	10.84	37.57	107.59	66.20	173.79	134.32	77.05	211.37
Total	408.12	165.36	573.48	769.81	584.55	1354.36	1177.93	749.93	1927.84
<b>Grand Total</b>	<b>4203.85</b>	<b>2278.10</b>	<b>6481.93</b>	<b>4599.42</b>	<b>3560.32</b>	<b>8159.74</b>	<b>8803.27</b>	<b>5838.42</b>	<b>14641.67</b>

Source : NSS Report No. 439 on Participation in education on the basis of survey conducted during 52nd round (1995-96)

**Expenditure incurred by Students of Government Institutions :**

26.1 There is sometimes an impression that education imparted in Govt. or local body institutions is free. While there may be no tuition fee, the point to be noted is that a significant amount is spent as 'private costs' by students pursuing their studies in government-run institutions at all levels. This is reflected in Table 17.

The following observations are made from the Table :

(i) The total private costs of education incurred by students studying in government institutions (Government & Local Bodies) in 1995-96 amounted to Rs. 6793.15 crore (46.39%), of which Rs. 3497.35 crore (23.88%) was at the Primary and Middle-level.

(ii) The Secondary/Hr.Secondary level accounted for 15.89 per cent, followed by higher education (6.62%).

(iii) Students from rural areas in these institutions incurred expenditure of Rs. 4,092.47 crore (27.95%), whereas students belonging to urban areas incurred an amount of Rs. 2,700.68 crore (18.45% of the total private cost of education).

Table 17

**Expenditure Incurred By Students By Age 5-24 Years Pursuing General Education in Government and local body Institutions, 1995-96**

(Rs. in crores)

Level/Type of Institution	Rural		Urban		Rural + Urban
	Govt.	Local Body	Govt.	Local Body	(2+3+4+5)
1	2	3	4	5	6
1. Primary Level	1109.72	122.80	405.20	127.32	1765.04 (12.05%)
Total of All types of Institutions	-	-	-	-	4299.44
2. Middle	1051.58	110.91	450.09	119.73	1732.31 (11.83%)
Total of All Types of Institutions	-	-	-	-	3559.35
3. Sec./Hr.Sec.	1266.31	106.73	830.84	122.36	2326.24 (15.89%)
Total of All Types of Institutions	-	-	-	-	4855.05
4. Higher Edn.	285.85	38.57	599.33	45.81	969.56 (6.62%)
Total of All Types of Institutions	-	-	-	-	1927.83
GRAND TOTAL	3713.46	379.01	2285.46	415.22	6793.15 (46.39%)
(All Types of Institutions)	-	-	-	-	14641.67

1. Figures in brackets are percentages to the total expenditure on all types of institutions (Rs. 14,641.67 crore).

2. Worked out from Table 12.

Source: NSS. 52nd Round.

**Average Expenditure incurred by Statistics in States/UT's.**

26.2 Table 18 shows to indicate state/UT's wise average expenditure per student of pursuing general education by broad level of education. It will be seen that there is variation in average expenditure per student among states /UT's at different levels of education. The following observations can be made:

- (i) National Capital Delhi, tops at the primary school level (Rs. 2335); and Lakshadweep at the bottom (Rs. 248).
- (ii) At the middle school stage, again NCT Delhi tops (Rs 2710); and Lakshadweep at the bottom (Rs. 302).
- (iii) At the secondary and senior secondary stage too NCT Delhi tops (Rs. 3952); and Lakshadweep at the bottom (Rs. 413).
- (iv) Above senior secondary Jammu & Kashmir tops (Rs. 4874) and at the bottom it is Arunachal Pradesh (Rs. 1455).

**Table 18**  
**Average expenditure (Rs.) per student of age 5-24 years pursuing**  
**general education by broad level of education**

Rural+Urban

State/UT	broad level of education					student	
	primary	middle	sec/ hr. sec	above hr. sec.	all*	estd. (00)	sample
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Andhra Pradesh	430	820	1541	3081	825	130470	6034
Arunachal Pradesh	631	977	1498	1455	821	1116	794
Assam	251	498	998	2261	594	47783	3142
Bihar	330	579	1153	2327	631	126785	6715
Goa	631	968	1459	2899	1225	2714	357
Gujarat	423	700	1498	2352	815	77492	3809
Haryana	953	1502	2391	3409	1395	44810	1672
Himachal Pradesh	573	1058	1777	2966	1058	13279	1815
Jammu & Kashmir	952	1305	2127	4874	1538	14531	2272
Karnataka	294	602	1130	2886	686	87223	3743
Kerala	725	849	1259	3102	1066	54367	3280
Madhya Pradesh	333	666	1274	2000	592	128003	6413
Maharashtra	540	819	1483	3518	996	179876	7422
Manipur	769	1161	1679	2517	1199	3470	1177
Meghalaya	890	1239	2233	2070	1232	3337	1056
Mizoram	756	1033	1402	1718	1011	1082	1104
Nagaland	1556	1932	2816	4480	2087	2096	1344
Orissa	284	682	1233	2150	657	55329	2967
Punjab	1162	1780	3241	4307	1853	44581	3552
Rajasthan	518	831	1400	2016	778	72467	4098
Sikkim	762	697	1189	1998	814	1141	1277
Tamil Nadu	464	827	1502	3465	872	106691	5601
Tripura	494	1039	2234	2142	952	7349	1641
Uttar Pradesh	507	947	1545	2407	808	260977	11707
West Bengal	433	1298	2653	3914	1056	121517	6332
Andaman & N Islands	715	1258	1907	1796	1179	555	811
Chandigarh	2287	2546	3228	3876	2757	1674	190
Dadra & Nagar Haveli	1820	555	3413	1823	2158	328	106
Daman & Diu	1566	1041	1614	3503	1496	188	133
Delhi	2335	2710	3952	3298	2878	24367	1067
Lakshadweep	248	302	413	-	287	243	130
Pondicherry	652	609	761	2724	732	1677	158

---

fractile-group (all-India)

---

00-20	197	426	768	1353	300	241264	12370
20-40	306	575	961	1645	472	301629	16568
40-60	419	726	1096	1810	647	332887	19011
60-80	598	900	1424	2220	923	361325	21084
80-100	1150	1547	2322	3694	1836	380411	22886

---

type of institution

---

Government	257	622	1236	2559	580	1029835	58523
Local-Body	338	726	1349	2415	628	125153	6323
Private Aided	1181	1346	1861	3143	1615	287418	17222
Private Unaided	1424	2156	3061	5296	1904	167782	9428
not recorded	181	417	702	1044	406	7329	423
all	501	915	1577	2923	904	1617517	91919

---



---

total exp. (Rs. Crores)	4292.74	35448.20	4852.35	1930.54	14620.70	xxx	xxx
estd students (00)	856198	387402	307766	66055	1617517	xxx	xxx
sample students	39907	26988	20911	4105	91919	xxx	xxx

---

Source: NSSO: Report No. 439 (52/25.2/1) Department of Statistics; GoI, October, 1998. Table 12C, P.A-110



## Section-II

### **Expenditure on Self-Financing Institutions under All-India Council for Technical Education (AICTE)**

27.0 Over the years a number of self-financing Institutions in the areas of engineering and technology, pharmacy, computer applications etc. which are governed under the All-India Council for Technical Education Act have come up. These Institutions, according to a set formula, have three types of admission procedures : (i) 50% free seats (ii) 45% payment seats, and (iii) 5% Non-resident Indians quota.

#### **The Fee Structure**

27.1 The tuition fee structure for the three categories is decided by the State level Committees constituted by AICTE. To meet the non-recurring expenditure, AICTE fixes the Development Fee, which is charged from each student every year. Presently, a Development Fee of Rs. 3,000 per year is charged on payment seats and \$ 1000 per year for NRI seats in under-graduate courses of engineering and technology. The recurring cost is generally met out of the tuition fees fixed by the Fee Committees in each State.

27.2 It is estimated that, on an average, Rs. 6-8 crore is required to establish a Degree Engineering Institution over a period of four years. This includes cost of land (at a reasonable price), construction of buildings, purchase of equipment etc. However, a self-financing institution recovers its investment from students by charging Development Fee. Obviously, while working out institutional

cost for the establishment of these institutions, Development fee received from the institution is to be deducted. The financial estimates for these self-financing Institutions under AICTE have been worked out, on the basis of intake capacity for different disciplines in engineering and technology. Development Fee is charged at rates fixed by AICTE for engineering and technology courses. No Development Fee has been fixed by AICTE for MBA, Pharmacy and Computer Applications courses.

The financial estimates have been worked out in the following manner :

(i) Institutional cost for the establishment of these Institutions is reflected in Table-19.

(ii) For working out development fees both at graduate and diploma levels, in engineering and technology, the All India Council for Technical Education (AICTE) has provided figures of intake of students as on 31.12.1997

under various branches. For working out the development fee for separate categories like free seats, payment seats and NRI seats, the in-take of students has been distributed as per Table-20.

(iii) The in-take of students for courses like MBA, Pharmacy and Computer Applications has been provided in Table-21, along/with the number of such Institutions.

27.3 Estimates of Development Fees charged by self-financing, Engineering & Technology Institutions are reflected in Table-22.

Table 19

Estimates of Institutional Costs of Establishing Self-Financing Institutions under All-India Council for Technical Education (as on 31.12.1997)

Type of Institutions	Nos. of Institutions	Financial Estimates (Rs. crore)	Norms of Institutional Cost per Institution per year
1. Engineering & Technology			
(i) Degree level	345	517.50	Rs. 1.5 crore
(ii) Diploma level	438	350.40	Rs. 80 lakhs
2. Management			
	151	113.25	Rs. 75 lakhs
3. Pharmacy			
(i) Degree level	96	76.80	Rs. 80 lakhs
(ii) Diploma level	132	85.80	Rs. 65 lakhs
4. Application Computer			
	61	76.25	Rs. 1.25 crore
TOTAL		1220.00	

NOTE : (i) On an average, Rs. 6 to 8 crore is required to establish a Degree Engineering Institution over a period of 4 years. This includes cost of land (at reasonable price), building and equipment.

(ii) The recurring cost is generally met out of the fees, fixed by the Fees Committee.

Table - 20

**Distribution of Intake of Students of Degree & Diploma  
Engineering Courses in Self Financing Institutions under All-  
India Council for Technical Education(AICTE) - As on 31-12 -1997**

Ncs.of Institutions = 345

**A : Technical / Engineering Institutions (Degree level)**

Branch	Total Intake	Free seats(50%)	Payment seats(45%)	NRI seats 5%
(1) Civil	6746	3373	3036	337
(2) Chemical	3655	1828	1644	183
(3) Electrical	10377	5189	4669	519
(4) Electronics	20283	10142	9127	1014
(5) Instruments	2740	1370	1233	137
(6) Mechanical	17446	8792	7782	872
(7) Industrial	2230	1115	1005	110
(8) Metereology	60	30	27	3
(9) Information Technology	860	430	387	43
(10) Architecture	400	200	180	20
(11) Textile	760	380	342	38
(12) Computer Applications	15450	7725	6953	772
(13) Others	5415	2727	2417	271
<b>TOTAL</b>	<b>86422</b>	<b>43211</b>	<b>41051</b>	<b>2160</b>

**Technical/Engineering Institutions (Diploma level)**

No. of Institutions = 438

Total	69636	34818	33077	1741
-------	-------	-------	-------	------

Table - 21

Distribution of Intake of Students of courses other than Engineering Courses in Self-Financing Institutions under All-India Council for Technical Education (AICTE) - As on 31.12.1997

B : Management Courses : Nos. of Institutions = 151

Branch	Total Intake	Free seats	Payment seats	NRI seats
MBA's	15960	7980	7182	798

C : Pharmacy Courses : Nos. of Institutions

Course Level	Degree		Diploma	
	Total	Free seats	Payment seats	NRI seats
(a) Degree	4730	2365	2129	236
(b) Diploma	7790	3895	3505	390

D : Master of Computer Applications : Nos. of Institutions : 61

	1830	1345	1210	135
--	------	------	------	-----

Table - 22

Estimates of Development Fees charged by Self-Financing  
Institutions under AICTE (MHRD) As on 31.12.1997

	Free Seats	Payment Seats	NRI Seats
(i) Norms of Intake	50% of the Intake	45% of the intake	5% of the intake
(ii) Fee charges	Rs. 3000 per student annual	Rs. 8000 per student annual	\$ 1000 per student annual

## A : Technical/Engineering Colleges (Degree level)

Branch	(Rs.'000)	(Rs.'000)	(,000 dollars)
(1) Civil	10119	24288	337
(2) Chemical	5484	13152	183
(3) Electrical	15567	37352	519
(4) Electronics	30426	73016	1014
(5) Instruments	4110	9864	137
(6) Mechanical	26376	62256	872
(7) Industrial	3345	8040	110
(8) Metereology	90	216	3
(9) Information Technology	1290	3096	43
(10) Architecture	600	1440	20
(11) Textile	1140	2736	38
(12) Computer	23175	55624	772
(13) Others	8181	19336	271
<b>TOTAL</b>	<b>129903</b>	<b>310416</b>	<b>4319</b>

Note : It excludes tuition fee. AICTE fixes Development Fee to be charged per year from the students. The fee structure for these categories of seats is decided by State level Committee constituted by AICTE.

Diploma Level

Norms of Development Fee :

- Rs. 1000 per student annual for free seats.
- Rs. 3500 per student annual for payment seats.
- For NRI, there is no scope.

(Rs.000)

34818	115769	NIL
-------	--------	-----

**Financial Estimates of Self-Financing Institutions under AICTE :**

28.0 Table 23 summarises the financial estimates of net institution establishment costs by self-financing institutions which were in operation as on 31.12.1997, duly recognised by AICTE.

These estimates cover two components viz : (i) Gross project Investment Costs (ii) Development Fees.

The Gross Investment Costs to the institutions (Rs. 1220.00 crore) gets reduced by the amount of Development Fees charged from the students (Rs. 77.23 crore), in order to arrive at the figure of Net Project Investment Costs (Rs. 1142.77 crore). Table 23 reflects the financial estimates under two sub-heads : (i) Project Investment Costs (ii) Development Fees. It may be noted, however, that the figure of Project Investment Costs (Net) relates to different periods of time over which the institutional infrastructure was built, while the figures of fees charged from the students are annual figures.

Table 23

Financial Estimates of Total Cost Incurred by Self-Financing

Institutions and their students

(AICTE)

(Rs. in crore)

A. Cost incurred by Self-Financing Institutions

Project Investment costs	1220.00
Less Development Fees	77.23
Net Project Investment Costs	1142.77

---

Source : (i) Based upon Tables 19 and 22.

(ii) Conversion Rate for \$ is assumed at Rs. 42.



### Section-III

#### **Extended Note on Private Sector Spending on Education.**

29.0 Given the fast changing economic environment, acquiring of new skills which are not available in the traditional educational curricula, is becoming increasingly a necessity. The economy now demands such new skills and the private sector has been responding to these demands. Private institutions have sprung up all over the country and their numbers increase by the day. A comprehensive and systematic survey of private sector spending on education is thus warranted. It is also imperative that the scope of the term "education" is clearly defined.

#### **Education through specialised courses for entrance examination:**

29.1 Currently, there are several competitive examinations being held for entrance into professional courses and for employment. The Joint Entrance Examination for IITs and the Common Admission Test for the IIMs are among the most popular. Similar courses for jobs in government services and banks are also very popular. These are big business and involve big spending by households.

29.2 It is estimated that nearly one lakh persons appear every year for the JEE for IITs. The application form alone costs Rs. 500 each. Add to this the cost of the photographs and other items of expenditure and we find that, the cost of making an application itself is well above Rs. 600 per applicant. This leads to expenditure of Rs.

6 crore per annum. Almost all the applicants appear for this examination with the help of coaching classes. The cost of making such preparation varies from Rs. 7,000 to Rs. 50,000 per student. The top training institutions charge separately for each paper. Taking an average of Rs. 10,000 per applicant and assuming that only about ninety per cent of the applicants take formal coaching, this expenditure amounts to another Rs. 90 crore. Add to this the cost of books, periodicals, notebooks, transport etc. and we can say that the total expenditure by households on the JEE is of the order of Rs. 100 crore-Rs. 80 crore on coaching classes. Rs.6 crore on admission forms and Rs. 4 crore on other items.

All the figures used above are based on interviews of persons working in the IITs, persons involved in the coaching business and several students/parents.

There are similar entrance examinations for hundreds of other engineering colleges such as BITS Pilani, Regional Engineering colleges, etc. The sum total of these would at least be equal to the expenses on JEE.

39,000 persons appeared for CAT, the entrance examination for the IIMs, in 1998. These students also undergo coaching and the costs are similar to those for the JEE examination. Thus, we could add another Rs. 50 crore to the business of private teaching. Besides the IIMs there are several hundred management institutions.

29.3 Almost all IIT and IIM students and several others prepare for examinations which enable them to study abroad. These are the

GRE, GMAT and TOEFL. exams. The cost of an application to appear in these examinations is very high. The cost of an application form for GRE is \$120 and that for GMAT is \$195. Thus, an application form costs between Rs. 5,000 and Rs. 8,000. The cost of preparation including even a second hand book of Barron would be another Rs. 10,000. For the purpose of our computations, we assume an average cost of Rs. 15,000 per person appearing for these examinations. Further we assume that only a quarter of the 50,000 students who step out of engineering colleges every year attempt these examinations. The GMAT examination can be applied for by any graduate. Thus, this business is worth about Rs. 20 crore.

#### **Education through computer classes**

30.0 In the past ten years computers have penetrated the Indian offices in a big way and opened new job opportunities for software engineers/operators in India and abroad. Hordes of college students join computer classes to improve their job prospects. Correspondingly, computer education has become a big business. NIIT and Aptech run businesses worth nearly Rs.500 crore in computer education alone. Thousands of other big and small enterprising institutes dot the cities, imparting computer education from air-conditioned classes to make-shift **lofts** in "Kuchha" houses.

In 1997-98, NIIT earned Rs. 323.62 crore through computer education related sales-Rs. 296.56 crore from education, training and software solutions and Rs. 27.06 crore through multimedia educational software sales. Aptech earned Rs. 163 crore through computer education. Education Consultants, India earned Rs. 21.55 crore and the public sector. CMC earned Rs. 5.30 crore through the same business. Other companies for which information was available include: VJIL Consulting (Rs. 2.78 crore), Ravichandra Systems & Computer Services (Rs. 0.55 crore). All the figures stated above relate to income from software education and training. These are not the total sales of the companies, which include several other sources of income.

The above eight companies account for a total income of Rs. 518.32 crore from computer education. The list does not include several large companies such as Boston, BITS, Datapro, GEBBS, Pentafour, Wintech, etc.

30.1 The National Association of Computer Training (NACT), which claims to have a membership of over 900 institutes engaged in imparting computer education, estimates that the revenue from computer education was about Rs. 1,700 crore in 1996-97. It also estimates that the industry is growing @ 50 per cent per annum. Using this yardstick, we estimate that the industry must have generated an income of Rs. 2,500 crore in 1997-98.

Revenues of computer companies denote only the tuition and other fees collected by the institutes. Students bear a lot more expenditure in terms of books, etc. Assuming a modest ratio of 82 per cent tuition fees and 18 per cent other costs, the total cost for computer education could be close to Rs. 3,000 crore per annum.

#### **Expenses on Management studies**

31.0 According to a study by Business Today, there are 422 management institutes in the country with a total capacity to roll out over 33,000 students annually. Assuming a cost of Rs. 50,000 per annum per student and that there are two simultaneous batches every year, besides a few shorter-duration courses, this translates into a business of Rs. 350 crore per annum. According to sources in IIM-Ahmedabad, a student spends Rs.75,000 per annum on tuitions and hostel charges. The charges exclude mess charges which range from Rs. 800-1,200 per month.

#### **Other professional courses**

32.0 A number of institutes provide specialised courses in subjects such as export-import trade, journalism, flying, etc. Besides, there are thousands of typing classes all over the country, and similarly, there are numerous classes which prepare candidates to become professional secretaries. Many of these double as teaching enterprises and placement agencies. While it is not possible to estimate the size of these activities, some rough estimation would nevertheless be a fairly important intermediate step in determining the overall private spending on education.

Several lines of learning transgress the boundary between professional and non-professional learning. One example is learning to drive a vehicle. About seven lakh new vehicles are produced every year-excluding two wheelers. Usually, in India, one vehicle is driven by more than one person, However, even if we assume a ratio of 1.2 new licences to one new vehicle, we are issuing about 8.5 lakh new licences per annum. Further, assuming that it costs about Rs. 1,200 for one person's training and licence procurement, this involves a total expenditure of about Rs. 100 crore per annum.

There are several similar other lines of learning, some of which are listed below. However, it is not possible to estimate the size of the spending on these.

- \* music, dance and drama
- \* commercial art
- \* martial arts
- \* swimming
- \* sports
- \* foreign languages
- \* public speaking
- \* repair of electrical and electronic goods
- \* tailoring
- \* cooking, stitching and knitting
- \* professional beauticians
- \* flower arrangement and bonsai

32.1 Finally, one small piece of relevant information. A recent issue of Business India has a small story on Navneet Publications-a company which brings out educational guides and workbooks. The company has a turnover of Rs. 111.26 crore and it commands only 55 per cent of the market share for educational books in Maharashtra and Gujarat. This is also mostly household expenditure and is only a small part of the large market for these books all over the country.

The numbers provided above (by the centre for Monitoring Indian Economy) add up to about Rs. 4,000 crore and still do not include the private sector spending on primary education, which as Tilak and other have pointed out, is far from free. These do not include spending on secondary school, college and professional courses in terms of capitation fees, capital spending done by business enterprises in setting up schools and colleges, and all the various training programmes, and esoteric and not-so-esoteric education among adults. For all this, of course, a far more systematic and comprehensive survey is warranted.

#### Section-IV

##### Private Management Contribution in School Stage-Institutions:

33.0 In the earlier three sections ; we have examined the private expenditure by household ; management and student contribution in self-financing institutions in Technical Education as well as private household expenditure under non-formal sector of education. Here we examine the contribution of private management at school-stage.

##### Source of Data :

33.1 Sixth All India Educational Survey (1993) also canvassed two schedules - School Information Form - 2 (SIF-2) and 'Educational Finance Form (EFF). SIF - 2 was used to collect data on finance along/with other information from schools, while EFF was entirely devoted to information on finance from districts. The data on finance from districts covered income/expenditure on (i) establishments at the district level (ii) government and local body schools and (iii) grant-in-aid to private aided schools. It did not include any information on private-unaided schools, and income/expenditure at the regional/state headquarters.

On scrutiny of filled-in SIF-2 forms, it was observed that the majority of schools had not filled up any information in the items of finance. This was because the funds were controlled at the block/district level. Similarly, in case of upper primary, secondary and higher secondary government schools, on many items, they were not empowered to spend and hence they could not provide data on those



items. In case of private aided and private unaided schools a majority did not respond on these items. Even if some schools had supplied the data it was inconsistent. Hence, it was decided not to analyse the data pertaining to fee structure and income and expenditure in SIF-2 forms.

33.2 Information on fee structure in schools was collected directly from states. This information was only with regard to government, local body and private aided schools. In addition to this, fee structure followed in the Kendriya Vidyalayas was analysed. The states of Haryana and Nagaland did not provide information on fee structure.

#### **Income at District Level :**

34.0 In view of the limitations stated above, the main schedule used here is 'EFF' providing information at the district level. Table 24 provides estimates of income from different heads of accounts for schools run by private managements from primary to senior secondary stage in aggregate. The disaggregated data for each school stage is not available.

**Table 24**  
**Income of schools run by Private Managements under Different**  
**Heads of Account (1992-93)**

(Rs. in lakhs)

Sl. No.	Head of Account	Amount	% of the Total
1.	Government grants	10,22,143.10	96.23
2.	Management Contribution		
	(a) Government Institutions	2,598.65	0.25
	(b) Private-Aided Institutions	6,289.93	0.59
	Total (a + b)	8,888.58	0.84
3.	Total Fee	12,436.54	1.17
4.	Donations	2,362.08	0.22
5.	Endowments	1,764.21	0.17
6.	Others	14,602.98	1.37
	Total	10,62,197.49	100.00

Source : Sixth All India Educational Survey, 1993. Table specially prepared by NCERT for the Expert Committee.

Table 24 shows that at school stage, the funds available at district level from different sources total to Rs. 10,62,197.49 lakh (data is not available for the States of Goa, Maharashtra, Nagaland and A & N Islands). This constitutes 63.60 per cent of the total amount of Rs. 16,70,126.51\* lakhs allocated to the States and Union Territories during the year 1992-93 except for the States mentioned above).

Almost 96.23 percent of the income to the districts comes from government grants. Fee contribution from students accounts for 1.17 per cent, donations 0.22 per cent, endowments 0.17 per cent, others (development fund, electricity charges 1.37 percent and management contribution 0.84 percent. If we include other charges as part of fee, then total fee contribution goes upto 2.54 percent.

---

\* Analysis of budgeted expenditure on Education 1992-93 to 1994-95. Government of India, MHRD (Department of Education). Planning and Monitoring Unit, New Delhi.

**Assessment of compilation from jointly managed schools :**

35.0            One can try to deduce the private contribution from Table 24. There are three components which can fall under this category :  
(a) direct contribution of the managements in grant-in-aid schools  
(b) donations (c) endowments. We have to assume that the figures of donations and endowments pertain only to privately managed schools. The sum total of these components accounts for Rs. 6,289.93 + Rs. 2,362.08 + Rs. 1,764.21 Lakhs = Rs. 10,416.22 Lakhs or Rs. 104.16 crore.

## CHAPTER-4

### Current Status of Expenditure on Education in Relation to GDP

#### Public Sector Expenditure:

36.0 We have discussed so far the trend of expenditure on education both in the public and private sectors by trying to ascertain various sources of data. Now we will consolidate the picture and capture the overall position. The latest year for which some firm estimates are available is 1996-97. Table 25 provides the current status (1996-97) of public expenditure on education by various agencies and Departments, in relation to Gross Domestic Product. Table 26 provides the current status (1996-97) of the private sector, which also includes household expenditure in relation to GDP.

Table 25

Current Status of Public Expenditure on Education  
in Relation to GDP (1996-97) (Rs. in crores)

1	2	3	4
Source	Amount	GDP at Factor Cost at (1996-97 Prices)	Percentage of GDP Col.2 as % of Col 3
(i) National -Accounts System	43020.16	1285259.00	
(ii) Estimated Expenditure on Education under MPLAD	39.17		
(iii) Revenue Expenditure of Recurring Nature incurred on the Railways Educational Institutions	48.32		
(iv) Revenue+ Capital Exp. of Defence Ministry's Educational Institutions	50.40		
(v) Expenditure incurred under JRY	113.06		
<b>Total</b>	<b>43271.11</b>	<b>1285259.00</b>	<b>3.37</b>

It will thus be seen that public expenditure on education is just 3.37 % of the GDP - quite some distance away from the 6 per cent suggested the Kothari Commission.

Foot Notes of Table No. 25 :

(a) Under National Accounts System, estimates include both Current and Capital Expenditure.

(b) Expenditure under Railways includes recurring expenditure and data on Capital expenditure is not included.

(c) Expenditure of Local Bodies from their own resources is not included.

(d) Estimates exclude 'subsidies' in the form of land provided at concessional rates or free of cost by government to educational institutions, freeships and scholarships and other incentives.

**Private Sector Expenditure :**

Table 26 is a summarised statement of private sector expenditure on education incurred by households as well as self-financing institutions (net of household expenditure) and private management contribution.

Table 26  
Current Status of Private Expenditure on Education

(Rs. crores)

Source	Amount incurred under Education	GDP at Factor Cost	Percentage of GDP col 2 as % of col 3
1	2	3	4
1. Household Expenditure incurred by Students of Age 5-24 yrs in general education (1996-97)	15662.33	1285259.00	
2. Private Management Contribution in Institutions of School Stage (1996-97)	142.44	-	-
3. Private Management contribution in Self-Financing Institutions under AICTE (1996-97)	1142.77	-	-
<b>Total</b>	<b>16947.54</b>	<b>1285259.00</b>	<b>1.32</b>

**Note :** (i) These estimates exclude private unaided schools due to lack of data.

(ii) Private Management contribution under UGC and other institutions falling under the Ministry of Health and Family Welfare, Ministry of Agriculture, has also been excluded due to lack of data.

(iii) Household expenditure incurred by students under Col.2 of Rs.15662.33 crore has been converted into 1996-97 from a level of Rs.14641.67 crore (1995-96) at 1996-97 prices. Similarly, private management contribution in institutions of school stage (1992-93) for Rs.104.16 crore has been brought to a level of Rs.142.44 crore at 1996-97 prices.



Although the estimates of private expenditure on education are rough, they should be treated as underestimates as we did not have the data for all kinds of private expenditure. The figures of GDP should, therefore, be taken as understated.

#### **Aggregate Estimates**

37.0 Thus total expenditure on education, which includes both public and private sector spending (including household expenditure on education) can be estimated to be around Rs.60218.65 crore for the year 1996-97. This works out as 4.69 per cent of Gross Domestic Product.

#### **Establishment of Independent Statistical Unit:**

37.1 Keeping in view the difficulties of estimating private expenditure as well as by local bodies out of their own resources (part of public expenditure), there should be an independent **statistical unit** which should be part of Ministry of Human Resource Development, Statistical Division to study trends of private expenditure and local body expenditure on a continuing basis. For this purpose, there should be an adhoc advisory body of technical experts. This unit should publish its statistics annually.

38.0 The terms of reference of the Expert Committee is not only to assess the current expenditure on education in relation to GDP but also to recommend implementational strategies for gradual increase of governmental and non-governmental spending on education to six per cent of the GDP. Our analysis so far has demonstrated that public

sector spending on education accounts for 3.37 % of GDP and private sector spending for another 1.32 %. Thus if we take total public and private expenditure, we are spending 4.69% of the GDP on Education. These estimates are under-stated because of limitations of data and therefore, it is possible that total spending on education may be about 7% of GDP. Thus the goal stated in the National Agenda for Governance has possibly been achieved already. This committee, therefore, strongly recommends that the NAG needs to be amended and the revised target should be that **public spending on education** should be made to go up to six per cent of the GDP.

38.1 The ideal situation would be one in which the percentage is raised to 6% in the public domain from the year 1999-2000 itself. However, if the sudden transition is not possible due to the logic of the situation and the absorptive capacity of the education sector, we could increase the percentage gradually to 6%. By 2007, six per cent of GDP could be devoted to education from the government exchequer and at the same time private sector should also be encouraged by various means for its contribution so that by 2007, the level of total education investment (both public and private) should go upto ten per cent of GDP.

38.2 This calls for a restatement of our basic policy on educational expenditure. The Committee feels that private expenditure is something which is not under Government's control. The policy goals can basically be with reference to public spending. Here there is a lot of ground to be covered, as we are still 2.6% short of 6%.

The following factors have also to be kept in view:

(i) There is a constitutional commitment of the Government to achieve the goal of universalisation of elementary education (age group 6-14) under Article 45. The size of the problem both in terms of access and quality, is so large that we cannot tackle the unfinished task in a time - bound manner, unless public expenditure is jacked up significantly.

(ii) Public spending on social sector, including education health and nutrition programmes in India is still low as compared to other developing countries. This has drawn adverse comment from all international agencies and economists, including Dr. Amartya Sen.

(iii) The physical infrastructure for education in terms of buildings, libraries, laboratories, drinking water facilities, separate toilets for girls, play-grounds, teaching aids and other instructional material, are below the national norms in some big states like Andhra Pradesh, Assam, Bihar, Rajasthan, Madhya Pradesh, Orissa, Uttar Pradesh, and West Bengal. The expenditure required to fill in the gaps in infrastructure is colossal.

(iv) At senior secondary stage and in tertiary sector, the pressure of **access**, both for general and vocational education, is likely to increase as the base of the educational pyramid expands in the near future. This will require additional investment in the educational sector.

(v) Education of the girl - child and women's education upto college level (including professional education) is to be made free as per present government policy. This will add another significant amount of subsidy element and call for additional financial support.

(vi) With the enactment of The Persons with Disabilities (Equal Opportunities, Protection of Rights And Full Participation) Act, 1995, government is committed to provide free education to this category of children upto the age of 18. This will require a specific allocation of funds.

(vii) Freeship and scholarship schemes for SC/ST children will entail further expenditure as the percentage of this category of children increases over the years and now passes through a phase of second-generation learners.

(viii) The scheme of Nutritional Support to Elementary Education warrants an investment ranging between Rs. 3000 and Rs.4000 crore yearly from the centre alone, in addition to the state's share. This is to be compared to the present allocation of funds, which is in the neighbourhood of Rs. 1000-1100 crore.

(ix) The recent hike in the pay scales of teachers and non-teaching staff in the educational sector is likely to increase the committed expenditure of the Central and State Governments substantially. Besides, there will be need for additionalities on account of additional dearness allowance, which is generally becoming due twice a year.

(x) In order to achieve UEE, the school system will demand more number of upper primary schools, the infrastructure at this stage will be expanded. This national norm (POA 1992) is to upgrade lower primary school to upper primary stage in the ratio of 2:1, Next decade of educational planning should take cognizance of this fact and necessary steps are needed to observe this norm.

### **The Futuristic Scenario**

38.3 Given the fact that public expenditure has necessarily to go up from the current level of 3.37% of GDP, our strategy will have to be influenced by the following factors:

(i) There will be a national increase as a result of committed non-plan expenditure in order to maintain and run the educational system not only at the current level of enrolment but also for coping with the increase in enrolment. This will also go up due to the recommendations of the Finance Commission.

(ii) There will be some inflationary impact.

(iii) The main strategy will have to be one of a positive intervention by both Central and State Governments in order to raise the level of expenditure for expansion of social infrastructure, in which education is the leading claimant. The rate of growth will depend upon the political will, the pressures brought out by the intelligensia and the electorate, the overall health of the economy and the absorptive capacity of the educational system.

(iv) A limiting factor is the availability of resources with the government and a fiscal policy which seeks to contain deficit financing within reasonable limits.

(v) There are also moves within the government to contain non-plan budgetary deficits through austerity measures.

(vii) There will be a need to enlist co-operation and support from the private and household sectors to participate in the development process of the educational sector .

**Public Expenditure on Education in relation to GDP.**

39.0 We will now examine as to how public expenditure on education can be raised in relation to GDP. This requires a close examination which addresses the following determinants:.

- (i) Growth rate of GDP.
- (ii) Inflation rate.
- (iii) Allocation of GDP to Educational sector
- (iv) Level of 'Social Demand' for education, reflected through expansion and access in terms of enrolment, institutions, induction of teachers and build-up of physical infrastructure.
- (v) Concern for quality in education, which may warrant additional investment in order to reach the national norms of teacher-pupil ratio, in-service-teacher training programmes, nutritional support to primary school children, etc.
- (vi) Budget position for education as a proportion to the total expenditure and total expenditure as a proportion of GDP.

## CHAPTER-5

### Balance Sheet of Deficiency in Education System

40.0 The Expert Committee, while recommending investment in education in relation to GDP is expected to prepare a balance sheet of deficiencies so as to gauge the financial requirement to gradually make up these deficiencies in the time to come. It is, therefore, necessary to address this aspect both in physical and financial terms.

Here, this stock-taking exercise is intended in terms of 'demand' and 'supply', components, so as to reflect on the '**Balance-Sheet of deficiencies**'. This exercise is attempted by analysing the situation sector/stage wise with respect to physical deficiencies as well as financial requirements to make up such deficiencies.

#### **Demographic Profile( Projected Population for Selected Age Groups by Sex)**

41.0 Table 27 provides data of projected population for selected age groups by sex for '1996,2001 and 2006 for India'. This table reflects the Demand Scenario for schooling. The figures for the age groups 6-10 and 11-13 are significant, as there is a constitutional obligation under Article 45 to provide elementary education free of cost on a universal basis. Age group 6-10 denotes classes I-V and 11-13 classes VI-VIII.

Table 27

Projected Population for Selected Age Groups by sex as on  
1st July, 1996, 2001 and 2006,  
(India)

(Rs. in Thousands)

Age Group	1996			2001			2006		
	Males	Females	Total	Males	Females	Total	Males	Females	Total
6-10	63686	58895	122581	60719	58140	118859	55064	52455	107519
11-13	35040	31150	66190	38684	36163	74847	35501	34236	69737
14-15	21300	18771	40071	24856	22653	47509	24927	23730	48657
16-17	19536	17222	36758	23619	21065	44684	25737	24178	49915

Population Projections For India And States Registrar General, India,

New Delhi, 1996, Table 26, p.103.



**Problem of drop-outs:**

42.0 It is not only the problem of providing access to the age-cohort of 6-10 and 11-13 age group children. At the same time, there is a high drop-out rate during schooling both at the lower primary as well as at the upper primary stage. The drop-out rate in classes I-IV for 1997-98 (provisional) on All India basis was 38.23 % for boys and 41.34 % for girls. Similarly, for classes I-VIII (combined) it was 50.72% for boys and 58.61 % for girls. The worst affected States in respect of classes I to VIII were reported to be : Bihar, Andhra Pradesh and Assam. It is, therefore, necessary to arrest this negative phenomenon by improving the holding power of the school system by innovative approaches and emphasis on quality of education.

**The Working Children Without Schooling**

43.0 Another dimension of the problem is of the working children who are engaged in various occupations for the sake of a living. The Child Labour [Prohibition and Regulation] Act, 1996 seeks to achieve the basic objective of banning the employment of children. The policy of the Government is to ban employment of children below the age of 14 years in factories, mines and hazardous employments and to regulate the working condition of children in other employments. In spite of all regulations, the child-labour situation continues to be worrisome. The census data of 1991 on child labour estimate the number of working children in the country at 11.28 million. Their education continues to be a serious problem. Ministry of Labour under its National Child Labour Project is to address this problem. The Annual Report of the Ministry of Labour, GOI (1996-97) expresses the

concern of the Ministry "While the ideal situation would be that a law requiring all parents to send their children to school and not to work becomes reality and is properly implemented, the experience in 14 states which have enacted laws relating to compulsory education, shows that because of the social, economic and other compulsions of the families, it may be really difficult for them to comply with the provisions of the proposed law relating to compulsory elementary education". [P. 102]

#### **Deficiency in Physical Infrastructure at School Stage:**

##### **At the Lower Primary Stage:**

44.0 Availability of school buildings is the first requirement. The sixth All India Educational Survey (1993), provides some insights about the physical deficiency of buildings at school stage, both in rural and urban settings. Out of 5.70 lakh primary schools, as many as 29,000 had no buildings and 1.27 lakh schools had just one -room accommodation. In the rural areas, the position in terms of physical facilities was worse.

##### **Non-viable Enrolment in Schools:**

45.0 Another related issue is of schools with low enrolment (below 100). A majority of such schools in rural areas were reported to be having enrolment of 50 and below. The average enrolment was 102.85 in rural areas and 202.48 in urban areas. These figures show that viability of such schools need to be looked into.

**At the Upper Primary Stage:**

46.0 Out of the total of 129246 upper primary schools in rural areas, 3465 upper primary schools had no buildings; 2707 had one-roomed accomodation. As many as 8515 upper primary schools enrolment below 50 and 19006 between 51 and 100.

The average number of class rooms available for these two categories of schools was 2.99 and 3.68 respectively.

**Schools According to Type of Building**

47.0 It is also necessary to know as what type of school buildings are available. The Sixth All India Educational Survey has provided this information. This data is presented in Table 28.

**Table 28**  
**Physical Status of Pucca Buildings By Location And Stage**

School Category			
Primary	Total NOs of Schools	NOs of Schools with Pucca Building	Percentage to Total
Rural	507,581	3,25,864	64.20
Urban	62874	453,22	72.08
Total	5,70,455	3,71,186	65.07

Upper Primary			
Upper Primary	Total NOs of Schools	NOs of Schools with Pucca Building	Percentage to Total
Rural	129246	84,875	65.67
Urban	33559	26,296	79.55
Total	162805	1,11,571	68.53

Secondary			
Secondary	Total NOs of Schools	NOs of Schools with Pucca Building	Percentage to Total
Rural	47,870	30473	63.66
Urban	17,694	14509	82.00
Total	65,564	44982	68.61

Higher Secondary			
Higher Secondary	Total NOs of Schools	NOs of Schools with Pucca Building	Percentage to Total
Rural	11600	9111	78.54
Urban	12062	10758	89.19
Total	23662	19869	83.97

Source: Sixth All India Educational Survey: National Tables. Vol-II,

School and Physical Facilities: Tables IS 13,14,15,16. PP.49-52.

It will be seen from Table 28, that at all stages of school, the availability of pucca buildings for schools is not satisfactory, particularly in the rural areas and at lower and upper primary stage. The schools which were located in other than pucca buildings were running in (i) partly pucca buildings (ii) Kutchha buildings, (iii) Thatched Huts, (iv) Tents and (v) Open Space. As many as 25,118 schools were reported to be working in open spaces. (See Table 29).

#### **Availability of Physical Facility of School Building By Management**

48.0 The matter becomes all the more serious when we find that the majority of schools without pucca buildings fall under the management of (i) Government and (ii) Local Bodies. Analysis showed that out of the total of 8,22,486 schools (all stages), 5,47,608 (66.58 per cent) were accommodated in pucca buildings. Out of the remaining 2,74,878 schools the physical status of the Government and Local Body run institutions is given under table 29.

**Table 29**  
**Physical Status According to Type of Building in Rural and Urban Areas (NOS)**

School Category		Total							
1	2	3	4	5	6	7	8	9	
Area	Management	Pucca	Partly Pucca	Kachha	Thatched Huts	Tents	Open Space	Total	
Rural	Government	186069	76832	36583	12167	683	14414	326748	
	Local Body	222840	45982	18240	4347	1348	8401	301158	
	Total	450323	138231	62862	19387	2125	23369	696297	
Urban	Government	25310	7063	2018	465	81	1412	36349	
	Local Body	24306	6110	1393	345	105	235	32494	
	Total	97285	19995	5576	1357	227	1749	126189	
Total	Government	211379 (38.60)	83895 (53.02)	38601 (56.40)	12632 (60.89)	764 (32.48)	15826 (63.01)	363097 (44.15)	
	Local Body	247146 (45.13)	52092 (32.92)	19633 (28.69)	4692 (22.62)	1453 (61.78)	8636 (34.38)	333652 (40.57)	
	Total	547608	158226	68438	20744	2352	25118	822486	

Source: Sixth All India Educational Survey, National Tables, Vol. II,

Schools And Physical Facilities. Tables: 15,17 P. 53.

Note: Figures in brackets indicate percentage to the total.

It will be seen that majority of the schools fall under the the management of Government (44.15 per cent) and local bodies (40.57 per cent). Only 38.60 per cent of schools under Government and 45.13 per cent under local bodies were having pucca buildings. The remaining 1,51,718 schools under direct Government management and 86,506 schools under local bodies fell under other categories of physical status. Out of 25118 schools running in open spaces, as many as 24462 (97.39%) were managed by Government and local bodies.

### **Physical Deficiency of Pucca Buildings of Government**

#### **Institucions at Different School-Stages:**

49.0 From the previous analysis, it is clear that in government sector both in rural and urban areas, there is significant physical deficiency of school buildings. Table 30 shows the physical deficiency of pucca school buildings at the primary, upper primary secondary and higher secondary schools in both rural and urban areas.

Table 30

## Physical Deficiency of Pucca School Buildings of Government Institutions As on 30.9.1993 (NOS)

State	Government			Local Body			Total		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
1	2	3	4	5	6	7	8	9	10
Primary Schools	52024	2820	54844	28553	1698	30251	80577	4518	85095
Upper Primary Schools	9404	855	10259	3363	331	3694	12767	1186	13953
Secondary Schools	2179	222	2401	405	45	450	2584	267	2851
Higher Secondary Schools	240	79	119	15	4	19	255	83	338
Total	63847	3976	67623	32336	2078	34414	96183	6054	102237

Note: The physical deficiency takes into account only  
(i) Katchha, (ii) Thatched Huts, (iii) Tents, (iv) Open Space.

Source: Worked out from Sixth All India Educational Survey:  
National Tables Vol II, Schools & Physical Facilities:  
Tables is 13,14,15,16.



It will be seen that 67623 school buildings under Government sector and 34,414 school building under Local Bodies were to be converted into full fledged pucca buildings.

**Deficiency of Teachers:**

50.0 The other major input to the Educational System is that of teachers and supporting staff (technical as well as ministerial). the latest estimates (1997-98) show that in lower primary schools (by type of institution); the enrolment was 797,06223 and teachers therein were 1871542. If we take the national norm of teacher-pupil ratio 1:40 for elementary stage (PoA:1992) then requirement as per norms works out to be 1,99,2,556 thus causing physical deficiency of 1,21,114 primary school teachers. According to the Sixth All-India Educational survey (1993), a significant percentage (62.79%) of primary schools were managing school instruction with two or less than two teachers. As many as 4373 (0.79 per cent) primary schools had no teachers, 114750 (20.11 per cent) were one- teacher schools and 2,39,139 (41.92 per cent) had two teachers.

**Widening Access to Secondary Education:**

51.0 In order to widen the physical access to secondary education, PoA (1992) has recommended that state governments should provide in existing institutions necessary facilities for a diversity of courses including science, commerce and vocational courses as well as to provide secondary schools in the unserved areas taking the block as a unit so that the ratio of secondary schools to upper primary schools is not lower than 1:1.86. Further, distance of secondary school will be duly considered.

**Physical Deficiency of Schools as per National Norms:**

52.0            Analysis shows that in 1997-98 (provisional) there were 610763 lower primary schools; 185506 upper primary schools; 76230 secondary schools and 26491 senior secondary schools. The inter-institution ratio between lower and upper primary stage works out to be 3.29:1 and between upper primary and secondary schools 2.43:1. It shows to indicate that there is need to expand physical upper primary schools access in the unserved habitation and blocks to narrow down the inter-institution ratio so far ratio between secondary and upper primary schools is concerned, it still continues to be low as per national norms of 1:1.86. However, the senior secondary schools have made up this deficiency because state governments have upgraded secondary schools to senior secondary schools which provide schooling facilities for classes IX and X under new pattern of 10+2 stage.

**Literacy**

53.0            Approach Paper to The Ninth Five Year Plan (1997-2002) envisages making the nation fully literate by the year 2005. Table 31 indicates the literacy percentages achieved between 1991 and 1997.

Table-31:

Literacy Rate From Various Rounds of NSSO

Rounds	Rural			Urban			Combined		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Population Census (1991)	58	31	45	81	64	73	64	39	52
49th Round (Jan. - June 1993)	62	36	49	83	67	76	68	43	56
50th Round (July 93 - June 94)	63	36	50	85	68	77	69	44	57
51st Round (July 94 - June 95)	64	38	51	86	70	78	69	46	58
52nd Round (July 95 - June 96)	65	39	52	86	71	79	70	47	59
53rd Round (Jan. - Dec. 1997)	68	43	56	88	72	80	73	50	62

Literacy Rate is defined as the proportion of literates in the population aged 7 years and above.

Source: Department of Statistics:

Ministry of Planning and Programme Implementation vide their letter No. M-12012/12/99-SSD dated 16.3.1999

54.0 Table 32 shows to indicate literacy rate of States/UT's as per 53 round of NSSO. It will be seen from the Table that literacy rate in the states of Andhra Pradesh, Bihar, Jammu and Kashmir, Karnataka, Madhya Pradesh, Orissa, Rajasthan, Uttar pradesh are still low as compared to the national average of 62 per cent. Special efforts in these states have to be taken to speed up the process of universal literay. Table33 shows to indicate the number of years after 1998 required to achieve 90 per cent literacy by some states which fall below the mark. According to estimates, NCT Delhi, Himachal Pradesh, Sikkim and West Bengal will be in position to achieve 90 per cent literacy rate by 2005.

Table-32:

## Literacy Rate From 53rd Round (Jan-Dec 1997) of NSSO

State	Literacy Rate (%) for Population of Age 7 Years and Above								
	Rural			Urban			Combined		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
Andhra Pradesh	57	35	46	84	69	77	64	43	54
Arunachal Pradesh	67	45	58	86	73	81	69	48	60
Assam	81	63	73	92	85	89	82	66	75
Bihar	59	30	45	84	64	75	62	34	49
Goa	95	75	86	91	82	86	93	79	86
Gujarat	74	47	61	91	74	82	80	57	68
Haryana	71	45	59	88	69	79	76	52	65
Himachal Pradesh	86	69	76	95	85	90	87	70	77
Jammu & Kashmir	65	42	53	93	75	85	71	48	59
Karnataka	60	43	52	83	70	77	66	50	58
Kerala	96	90	93	96	90	93	96	90	93
Madhya Pradesh	64	32	49	87	68	78	70	41	56
Maharashtra	79	54	66	93	79	86	84	63	74
Manipur	82	62	72	95	77	86	86	66	76
Meghalaya	77	72	75	97	89	93	79	74	77
Mizoram	95	91	93	97	98	98	96	95	95
Nagaland	90	72	81	93	87	90	91	77	84
Orissa	60	33	46	87	67	78	64	38	51
Punjab	65	57	61	86	75	81	72	62	67
Rajasthan	69	27	49	90	63	77	73	35	55
Sikkim	84	70	77	92	80	86	86	72	79
Tamil Nadu	73	49	62	91	78	84	80	60	70
Tripura	76	64	70	96	85	91	79	67	73
Uttar Pradesh	66	35	51	80	62	71	69	41	56
West Bengal	78	58	69	90	76	83	81	63	72
A & N Island	94	74	85	100	95	97	100	94	97
Chandigarh	68	42	59	94	77	86	90	74	83
D & N Haveli	63	25	45	100	85	93	66	30	49
Daman & Diu	93	72	86	99	74	87	95	73	86
Delhi	100	61	83	90	78	85	91	76	85
Lakshadweep	98	94	96	98	90	94	98	93	96
Pondichery	94	84	89	93	87	90	94	86	90
All-India	68	43	56	88	72	80	73	50	62

Source: Same as for Table 31.

**Table-33:**  
**Estimated Time required to achieve Literacy Rate of 90 Per cent.**

States/UTs	Level of Literacy									
	1991 Census		NSS 49th round	NSS 53rd round	NSS 49th round	NSS 53rd round	Estimated No of years after 1998 required to achieve 90% literacy rate R2*		Year by which 90 % literacy is expected to be achieved	
			Persons	Female	Persons	Female	Persons	Female	Persons	Female
	Persons	Female	1993	1997	1993	1997	Persons	Female	Persons	Female
Andhra Pradesh	44.09	32.72	47	54	36	43	20 (92)	25 (88)	2018	2023
Assam	52.89	43.03	68	75	58	66	9 (83)	12 (76)	2007	2010
Delhi	75.29	66.99	79	85	72	76	3 (79)	9 (75)	2001	2007
Gujarat	61.29	48.64	60	68	49	57	12 (92)	20 (74)	2010	2018
Haryana	55.85	40.47	58	65	43	52	17 (84)	18 (75)	2015	2016
Himachal Pradesh	63.86	52.13	67	77	56	70	6 (87)	7 (89)	2004	2005
Madhya Pradesh	44.2	28.85	48	56	33	41	19 (76)	28 (81)	2017	2026
Maharashtra	64.87	52.32	68	74	56	63	10 (80)	14 (80)	2008	2012
Punjab	58.51	50.41	63	67	55	62	20 (65)	18 (68)	2018	2016
Rajasthan	38.55	20.44	43	55	25	35	14 (75)	25 (79)	2012	2023
Sikkim	56.94	46.69	67	79	58	72	4 (97)	5 (95)	2002	2003
Uttar Pradesh	41.60	25.31	47	56	30	41	19 (77)	22 (81)	2017	2020
West Bengal	57.70	46.56	60	72	50	63	7 (90)	10 (90)	2005	2008
All India	52.21	39.29	56	62	43	50	21 (92)	24 (96)	2019	2022

**Note:** Those States/UTs which have either achieved 90% literacy or have value of R2 less than 65 per cent have been excluded.

1. Figures in parentheses indicate the value of R2
2. No. of years required have been worked out by fitting a regression line to NSS data of 49th Round (Jan-June, 1993) to 53rd Round (Jan-Dec, 1997)

**Source:** Same as for Table 31.

**Coverage of Literacy under National Literacy Mission (1998):**

55.0 National Literacy Mission (N.L.M.) has so far covered 215 districts under Total Literacy (TLC) to be understood as phase I; 173 districts under Post Literacy (PLC) as phase II; 59 districts under Continuing Education (CE) as phase III; In addition, some districts in North-Eastern States and Jammu & Kashmir due to their topography are covered under the Rural Functional Literacy Programme (RFLP). Such districts covered under RFLP are 38. NLMA since its inception (1988) had targetted the coverage of 525 districts. It has so far covered 485 districts. If we have to achieve our aim of 100 per cent literacy in the country by 2005, literacy rate will have to be increased annually from the present rate of 0.85 per cent to 4 per cent per year.

**Free Education For Girls:**

56.0 Considerable gender gap continues to persist at all levels of education in our country. The gap is all the more conspicuous in case of Scheduled Caste and Scheduled Tribe girls. At the elementary stage, gaps in respect of enrolment ratio at the all India level are reflected in Table 34.

Table 34:  
Enrolment Ratio at Elementary Education Stage: (1997-98)

	Classes I-V			Classes VI-VIII		
	Boys	Girls	Total	Boys	Girls	Total
General	97.7	81.2	89.7	66.40	49.50	58.40
S.C.	102.25	81.60	92.36	60.32	37.59	48.93
S.T.	102.93	78.34	90.73	53.08	32.53	43.34

Source: Selected Educational Statistics. Department of Education MHRD, 1999.

While the gender discrimination in imparting education to children starts right at the primary level, enrollment and attendance decline sharply at the higher levels. Further girls enrolled at the primary level get reduced at the middle level and at the Secondary/higher Secondary level (see table-35). This gender gap is still higher in case of Scheduled Caste and Scheduled Tribe girls. Enrollment gap of girls still continues to be higher. It may be further noted that enrollment as shown in Table-35 is gross enrollment (including under-age and overage children whereas the projected population is age-specific to school-age.



Table-35

Enrolment of Girls in relation to School Age Cohort Population(1996-97)

(In Thousands)

Age Group	Female projected population	Enrolment	Gap
6-10	58,895	47,892 (81.32)	11,003
11-13	31,150	16,359 (52.52)	14,791
14-15	18,771	17861 (95.15)	9,10
16-17	17,222	9,792 (56.86)	7,430
<b>Total</b>	<b>1,26,038</b>	<b>91,904 (72.92)</b>	<b>34,134</b>

Note: (1) Projected population as 1st July, 1996  
Enrolment as on 30.9.1996.

(2) Figures in the brackets indicate percentages to the projected population.

Source: For projected population: Report of Technical Group on population projection, August, 1996. Registrar General

For enrolment: MHRD.

### **Current Backlog of children in the age group (6-14)**

57.0 Enrolment at the lower primary stage (classes I-V) in 1996-97 was reported to be 11.04 crore, against the projected population of 12.26 crore, leaving a backlog of 1.22 crore children. Similarly at the upper primary stage (classes VI-VIII) the enrolment was 4.11 crore against the projected population of 6.62 crore leaving a gap of 2.51 crore. In total, this backlog (classes I-VIII) which required schooling was estimated to be in the order of 3.73 crore. The projected population for the age group (6-10) in 2001 is estimated at 11.89 crore and 10.75 crore in 2006. Enrolment in standard I was reported to be 2.71 lakhs, in Class V 1.48 lakh and in Class VI 1.29 lakh in 1993. In some states the lower primary stage is structured I - IV and in other states (I-V) and similarly at the upper primary stage the entry point is class V in the first category states and class VI in the second category states. On an average, in a five-year period, the total additional inflow of students works out to be 13.55 lakhs in Standard I, 7.40 lakhs in Standard V and 6.45 lakhs in Standard VI. But due to high drop-out rates, wastage and stagnation is caused, with the net result of distancing us from a situation of fulfilment of universalisation of elementary education - **the ultimate goal.**

### **Analysis of universal Access at the Lower Primary Stage**

58.0        Universalisation of elementary education including the lower primary stage is the overriding priority. In Table 36 projected population in age group 6-10 (classes I-V) for the year 1996-97, 2001-2002 and 2006-2007 has been reflected as well as the projected gross enrolment of the same age group (class I-V) of All India level. In order to work out the projected enrolment, the average annual increase has been considered taking into account the absolute increase between 1993 (data of the sixth All India Educational Survey, 1993) and 1996-97 (data of the MHRD). This enrolment data has been extrapolated for next 10 years assuming the same annual increase in enrolment. It is observed that it will be difficult to universalise lower primary stage by 2001-2002. But in case of girls, Gross Enrolment Ratio is likely to reach 107.37 by 2007 which indicates a significant improvement over 1996-97. However adjusting for 20% enrolment of overage and underage children, the possibility of covering all 'girl children' in this age-group by 2007 is likely to materialize.

There are eight major states which have a larger backlog of children not going to school at the lower and upper primary stage (age group 6-10, 11-13). Table 37 shows the projected population and likely enrolment of children falling under this category. States of Assam, Orissa, Rajasthan (boys only) and West Bengal are likely to achieve universal access at the lower primary stage by the year 2002. The States of Andhra Pradesh, Madhya Pradesh, Rajasthan (for girls also) will be in position to provide universal access to this age group by the year 2007.

**Analysis of universal Access at the upper Primary Stage :**

59.0 Table 38 indicates the projected population as well as the projected enrolment of children (class VI-VIII). It is clear from the table that based upon the same methodology of projected enrolment as for lower primary stage for 2001-2002 and 2006-2007, the universal access for this age-group children by 2007 seems to be a difficult proposition unless some bold and strategic steps are ensured. GER is likely to be around 92.31 in case of total age cohort population and 75.62 percent for girls by 2007.

The analysis of eight states on the same pattern as done for lower primary stage was also attempted. Table 39 indicates the projected population of each state and its projected enrolment for the year 1996-97, 2001-2002 and 2006-2007. It shows that West Bengal which has shown a significant registered increase of enrolment in absolute terms between 1993-1996 may go on building upon this advantage in the next decade and achieve universal access to this age-cohort by 2007. Other states may still lag behind.

It is, therefore, necessary to take extra steps on a war footing in these eight states so that by 2007 at least the states like Assam, Orissa and Rajasthan could be brought closer to universal access at the upper primary stage.

Table 36

A. Analysis of universal Access at the Lower Primary Stage :

(All India)

(in thousands)

	1996-97	2001-2002	2006-2007
(1) Projected Population			
Age-Group (6-10)	1,22,581	1,8,859	1,07,519
of which girls	58,895	58,140	52,455
(2) Gross Enrolment	1,10,393	1,32,668	1,54,943
of which girls	47,892	57,912	67,932
(3) GER Ratio			
(a) Person	90.06	111.62	144.11
(b) girls	81.32	100.39	129.51

GER : Gross Enrolment Ratio.

Note : Based upon the Trend of Gross Enrolment between 1993 and 1996.

Enrolment data used in the table is drawn from

(a) Sixth All India Educational Survey, 1993.

(b) Selected Educational Statistics, 1996-97 MHRD.

Projected Population (age-group 6-11) RGI, Office.

GER :           Number of persons enrolled

Formula:           class I - V  
 ----- x 100  
 Estimated population of age  
 group 6 - 10

Table 37

## Projected Population And Enrolment : (classes I-V)

## (Major States)

(in thousands)

State	Projected Population						Enrolment					
	1996-97		2001-2002		2006-2007		1996-97		2001-2002		2006-2007	
	T	G	T	G	T	G	T	G	T	G	T	G
(1) Andhra Pradesh	9637	4722	8326	4126	6571	3214	7898	3708	5268	4503	10638	5298
(2) Assam	3520	1728	3487	1723	2682	1311	3817	1792	5257	2542	6697	3292
(3) Bihar	13687	6461	13225	6404	12273	5921	9627	3511	11392	4271	13157	5031
(4) Madhya Pradesh	9969	4811	10049	4930	9720	4682	9615	4018	11895	4863	14175	5708
(5) Orissa	4431	2178	4135	2038	3272	1591	3945	1632	4115	1807	4285	2142
(6) Rajasthan	7125	3359	7113	3426	6393	3099	6656	2371	9316	3476	11976	4581
(7) Uttar Pradesh	22296	10421	21564	10411	22815	10942	16265	6201	21625	8401	26985	10601
(8) West Bengal	9812	4788	9281	4589	7553	3696	10117	4815	13622	6715	17127	8615

T = Total      G = Girls

Source : For Projected Population RGI, Office.

Selected Educational Statistics : 1996-97, MHRD for enrolment of 1996-97.

\* enrolment is declining because population is declining.

Table 38

Analysis of universal Access at the upper Primary stage

(All India)

(in thousands)

	1996-97	2001-2002	2006-2007
(i) Projected population (age group 11-13)	66,190	74,847	69,737
of which girls	31,150	36,163	34,236
(ii) Gross Enrolment	41,065	52,720	64,375
of which girls	16,359	21,124	25,889
(iii) GER Ratio			
(a) Person	62.04	70.44	92.31
(b) girls	52.52	58.41	75.62

GER = Gross Enrolment Ratio

Note : Based upon the trend of gross enrolment between 1993 and 1996.

Enrolment data used in the table were drawn from :

(i) Sixth All India Educational Survey, 1993.

(ii) Selected Educational Statistics 1996-97, MHRD.

Number of Persons enrolled  
class VI-VIII  
Gross Enrolment Ratio: ----- x 100  
Estimated population of age  
group 11-13

Table 39

## Projected Population And Enrolment : (classes VI-VIII)

(Major States)

(in thousands)

	Projected Population						Enrolment					
	1996-97		2001-2002		2006-2007		1996-97		2001-2002		2006-2007	
	T	G	T	G	T	G	T	G	T	G	T	G
(1) Andhra Pradesh	5059	2443	5930	2920	4672	2322	2304	964	2729	1209	3154	1454
(2) Assam	1825	887	2157	1061	2059	1019	1305	530	1850	685	2395	840
(3) Bihar	6878	3094	8482	4043	7664	3785	2429	763	3014	1008	3599	1253
(4) Madhya Pradesh	5186	2420	6130	2980	5922	2911	3187	1101	4267	1471	5347	1841
(5) Orissa	2369	1172	2700	1325	2390	1180	1296	466	1566	481	1836	496
(6) Rajasthan	3740	1733	4366	2067	4204	2035	2091	575	3016	885	3941	1195
(7) Uttar Pradesh	11555	5209	13778	6490	12515	6083	5629	1687	7439	2092	9249	2497
(8) West Bengal	5307	2557	5984	2928	5417	2607	4603	2122	8273	6887	11943	8827

T - Total G - Girls.

Source : Projected Population : RGI, Office.

For enrolment of 1996-97. Selected Educational Statistics,  
MHRD.



60.0 Department of Education, Ministry of Education of Human Resource Development in its publication selected Educational Statistics provide estimates of gross enrolment ratios for classes I-V and classes VI-VIII. on the basis of provisional data on enrolment. NSSO in its 52nd Round brought the concept of gross attendance ratio. Which was found lower than the gross enrolment ratio especially for classes I-V where the difference is about 20 per cent. It is possible that official enrolment gets overstated compared to actual attendance.

**Some Traces of silver lining in universalising Primary Education (UPE)**

61.0 After 1993, some significant interventions have been made, impacting on the ultimate goal of UPE at the lower primary stage.

\*\* (i) District Primary Education Programme (DPEP) was initiated in 1994 with the financial assistance of World Bank and other external agencies in 149 districts (annexure-II). In addition, another 93 districts have been identified which are likely to be covered during the Ninth Plan. (annexure-III)

(ii) Lok Jumbish Project (LJP) is another initiative in Rajasthan which at present covering 27 districts. But once DPEP next phase of expansion is firmed up, 14 erstwhile districts will be covered under DPEP and the remaining 13 will remain in operation under LJP. In other words, all low literacy districts of Rajasthan will be covered either under LJP or DPEP. (annexure-IV)

(iii) There is a likely fall in the population of age-cohort (6-11) over the next decade (net fall of 1.46 crore by 2001 and further 1.36 crore by 2006).

(iv) The Scheme of Nutritional Support to Primary Education focusses on attendance in school and is expected to cover 10 crore population of this age-cohort.

(v) Special schemes for the 'girl child'. have been started by various Ministries/Departments at the centre as well as by the State Governments, with a provision for scholarships, freeships, other economic incentives, etc.

(vi) The gap in respect of education of working children and drop outs is being filled through the Non-Formal Education Programme of Ministry of Human Resources Development, Siksha Karmi Project in Rajasthan as well as of the National Child Labour Project (NCLP) under the Ministry of Labour. ~~Under~~ the NCLP, Special Schools are established to provide non~~ormal~~ education, vocational training, supplementary nutrition, stipend, health care etc. to children withdrawn from employment. Some segment of population is also covered under the National Literacy Mission Authority (NLMA), MHRD under its

Literacy Programme.

(vii) Some innovative projects have been initiated by Non-Governmental organisations (NGOs) at the local level for empowerment of Women as well as education of the school-cohorts.

(viii) Adult Education Programme is being carried out through National Literacy Mission and Voluntary groups.

(ix) There is a plan to achieve additional enrolment of 2 crore children during the IX Plan (1997-2002).

The strands of success of these schemes are going to improve the internal efficiency' of school-system in three distinct ways (a) (b) Attendance (c) Physical infrastructure.

(x) Under JRY, since 1993, 89033 school buildings have been constructed with an investment of Rs.406.955 crores. This has made up deficiency of school buildings to some extent.

## CHAPTER-6

### Financial Perspective of Education

#### Financial Requirement of Educational Sector

62.0 Various estimates have been made to assess the financial requirements of education sector in the Ministry of Human Resource Development (MHRD) for (a) General Education (b) Technical Education (c) Management Education.

Similarly the Ministries of Agriculture, Health and Family Welfare and Labour etc. have worked out their requirements. But the major portion emanates from the Department of Education both at the centre and states because of the large size of education system which the Departments of Education are expected to handle. In 1996-97 expenditure on education by other Departments was Rs. 6883.15 crore as compared to Rs. 36529.29 crore by Education Department both at the centre and the states. Proportionately, the expenditure of 'other Departments' in comparison to 'Education Departments' works out to 18.84 per cent.

#### Assessment Done By The Various Working Groups of MHRD

63.0 The financial requirement of Ministry of Human Resource Development was assessed by Ninth Plan Working Groups These were set up by the Planning Commission for assessing the financial requirement as well as suggesting educational schemes for IX Plan and for developing a Tenth Plan Perspective.

The financial requirements for various sectors of education as assessed by the Working Groups are listed here:  
(Rs. In Crores)

<u>(A) Teacher Education</u> <u>Non-Formal Education,</u> <u>Early Childhood Education</u> <u>And Elementary Education</u>	X Plan	
	Central Sector Rs. (1997-2002)	State Sector Rs.
(a) Elementary Education	71107.57*	46315.08**
(b) Non-Formal Education	3814.47	-
(c) Early Childhood Education	1082.70	-
(d) National Bal Bhawan	120.00	-
(e) Teacher Education	3135.24	78.00
Total	79259.98	46393.08

\* This includes (a) a provision of Rs. 40,000 crore for the proposals to make the right to free and compulsory elementary education a fundamental right.

(b) An amount of Rs. 12000 crores for central share for provision of hot cooked meals to all children in primary classes (estimated number:12 crores, including Non-Formal Education children)

\*\* This includes Rs. 15731.50 crore for construction of class-rooms under Jawahar Rojgar Yojana and Rs. 18000 crore for the state's share for provision of hot cooked meals to all children in primary classes (Estimated Number: 12 crore , including NFE. children).

	Central Sector Rs.	State Sector Rs.
<u>(B) Secondary a</u> <u>Senior Secondary</u> <u>Education</u>	4740.40*	-

This also includes the Plan outlay of Rs. 56.70 crore for the National Open School.

	Central Sector	State Sector
(C) Higher Education (University Grants Commission)	19,037.00	-
(D) Open University (IGNOU)	750.00	-
(E) Management Education	360.00	-
(E) Technical Education	6799.00	2868.00
(F) Adult Education	3664.00	-
(G) Libraries And Informatics	2444.00	-
(H) Language Development And Book Promotion	3015.00	-
-----		
GRAND TOTAL (A to H)	Rs.120069.38	49261.08
-----		

Thus, for the Ninth Plan, the financial requirement for general and technical education has been estimated at Rs. 1,20,069.38 crores was in the Central Sector and Rs. 49,261.08 crore in the State Sector.

#### **Role of the Private Sector**

64.0 Since July, 1991, as part of the general drive for economic liberalisation, it has been argued that the role of the private sector in the educational system is likely to be enlarged. This has been demonstrated through the expansion of self-financing technical institutions. New ways and means have to be found out and, if necessary, educational as well as financial Acts need to be reviewed and amended so as to encourage the private sector. This Committee is of the view that private participation should be promoted on the pattern of the other sectors of the economy.

## **Subsidy Components in Education**

65.0 Another issue which merits elaboration here is the degree of subsidisation of higher education, both in the public and private sector. The White Paper on Government subsidies in India (GOI, Ministry of Finance, Department of Economic Affairs, May, 1997) indicates that in elementary education the cost-estimates of subsidies (1994-95) amounted to Rs. 1629.38 crore. However, elementary education was, according to this Paper, under Merit-Goods Category. Other Non-Merit Services in education, sports, art and culture received a subsidy element of Rs. 782.17 crore in 1994-95. Higher education was considered as a Non-Merit Category. The view was expressed that "most subsidies to higher education accrue predominantly to the better off sections of society as they have an overwhelming advantage in competing out prospective candidates from the poorer sections in getting admission to courses that are characterised by scarcity of seats". The concluding observation of the White Paper is that the volume of subsidies is large. If only non-merit subsidies are taken into account, they amount to 10.7 per cent of GDP, which comprises of 3.8 and 6.9 per cent of GDP, pertaining to central and state subsidies, respectively. The average all-India recovery rate for these non-merit goods/services is just 10.3 per cent, implying a subsidy rate of below 90 per cent. The recovery rate as a whole in education sector is less than 1 per cent. The recovery rate even in the university sector is as low as 1.25 per cent.

The suggested line of approach to reduce the subsidy element on non merit goods and services, according to this White Paper, is:

- (i) Reducing the overall scale of subsidies ;
- (ii) Making subsidies as transparent as possible;
- (iii) Using subsidies for well-defined economic objectives;
- (iv) Focussing subsidies to final goods and services with a view to maximising their impact on the target population at minimum cost;
- (v) Instituting a system for periodic review of subsidies, and
- (vi) Setting clear limits on duration of any new subsidy schemes.

66.0 This committee is of the view that higher education as a process of human development as well as to meet the required manpower expected from the tertiary sector of education, will require adequate governmental budgetary support from some time to come. Justice Punnaya Committee set up by the UGC had recommended that State should meet expenditure for maintenance of universities . Universities should mobilize upto 20 per cent from tuition and other fees. This fund should be used for academic and other needs of the universities. Some economy in expenditure could be affected by the universities and colleges by restructuring fees and by resorting to deployment of 'Core Staff'and servicing civic amenities , maintenance of public works, other utilities through 'service contracts'. But at the same time, government should provide an enabling provision for expansion of this sector through necessary economic incentives in the form of reb le on taxes, rates and tariffs, subsidy on land cost and bank loans for



establishment of educational institutions by private sector or charitable sector on non-profit no-loss basis. Non-merit good aspect in higher education needs indepth analysis in terms of the technical and social aspects. Further if education of the girls at school stage and women at the tertiary sector is to be encouraged, then subsidies in higher education will need to be sustained for some time.

**Public Expenditure on Education in Relation to GDP: (1996-97 - 2006-2007)**

67.0 In order to take the level of public expenditure (Central, State, Local Bodies, public undertakings, governmental commercial enterprises etc.), on education to 6% of GDP, this committee recommends a gradual increase. This is reflected in Table 40. The target year to reach the level of six per cent is kept at 2006-2007. This is due to the resource constraints faced by the economy.

TABLE-40

PUBLIC EXPENDITURE ON EDUCATION IN RELATION TO GDP.  
(1996-97 - 2006-07)

(Rs. in Crore)

Year	GDP fc 5% Gr. rate at 1996-97 prices	GDP fc 5.5 Gr. rate at 1996-97 prices	GDP fc 6% Gr. rate at 1996-97 prices	GDP fc 6.5% Gr. rate at 1996-97 prices	GDP fc 7% Gr. rate at 1996-97 prices	Edn. Exp. as % of GDP (Assumed)	Pub. Exp. on Edn. @ 5% Gr. rate in GDP.	Pub. Exp. on Edn. @ 5.5% Gr. rate in GDP.	Pub. Exp. on Edn. @ 6% Gr. rate in GDP.	Pub. Exp. on Edn. @ 6.5% Gr. rate in GDP.	Pub. Exp. on Edn. @ 7% Gr. rate in GDP.
1	2	3	4	5	6	7	8	9	10	11	12
1996-97	1285259	1285259	1285259	1285259	1285259	3.37	43271	43271	43271	43271	4327
1997-98	1349522	1349522	1349522	1349522	1349522	3.90	52632	52632	52632	52632	5263
1998-99	1427794	1427794	1427794	1427794	1427794	4.00	57112	57112	57112	57112	5271
1999-2000	1499184	1506323	1513462	1520601	1527740	4.25	63715	64019	64322	64626	6492
2000-2001	1574143	1589171	1604270	1619440	1634682	4.35	68475	69129	69786	70446	7110
2001-2002	1652850	1676575	1700526	1724703	1749109	4.50	74378	75446	76524	77612	7871
2002-2003	1735493	1768787	1802557	1836809	1871547	4.75	82436	84017	85621	87248	8889
2003-2004	1822267	1866070	1910711	1956202	2002555	5.00	91113	93304	95536	97810	10012
2004-2005	1913381	1968704	2025353	2083355	2142734	5.25	100453	103357	106331	109376	11249
2005-2006	2009050	2076983	2146875	2218773	2292726	5.50	110498	114234	118078	122033	12610
2006-2007	2109502	2191217	2275687	2362993	2453216	6.00	126570	131473	136541	141780	14719

Note : GDP at 1996-97 prices for years 1997-98, 1998-99 are estimated using the growth rate from Advanced Estimates 1998-99.

Figures have been rounded 'off' to the nearest unit.

Table:41

**State Government Expenditure on Education in Relation to  
Gross SDP (1996-97) At current Prices**

(Rs. in crore)

S.No.	STATES	SDP (Q)	Education Exp.	JRY	MPLAD	Total	% of SDP
	1	2	3	4	5	6	7
1.	Anhra Pradesh	84251.41	2813.41	6.64	2.28	2822.33	3.35
2.	Arunachal Pradesh	1306.01	107.00	0.11	0.17	107.28	8.21
3.	Assam	19017.67	1249.79	3.05	1.41	1254.25	6.60
4.	Bihar	45447.62	2629.65	21.31	5.30	2650.96	5.83
5.	Goa	3090.65	159.70	-	-	159.70	5.17
6.	Gujarat	71659.96	2540.94	4.38	2.58	2547.90	3.56
7.	Haryana	34088.76	891.65	0.88	0.96	893.49	2.62
8.	Karnataka	56612.72	2218.03	5.56	1.85	2225.44	3.93
9.	Kerala	37136.06	2109.00	0.20	0.13	2109.33	5.68
10.	Madhya Pradesh	63979.11	3035.20	2.16	0.61	3037.97	4.75
11.	Maharashtra	168944.23	4935.19	17.09	6.14	4958.42	2.93
12.	Meghalaya	2032.92	158.04	-	-	158.04	7.77
13.	Orissa	25569.41	1314.25	13.47	2.89	1330.61	5.20
14.	Punjab	45720.40	1219.25	-	-	1219.25	2.67
15.	Rajasthan	47471.12	2450.00	17.43	6.96	2474.39	5.21
16.	Tamil Nadu	78123.66	3186.11	10.50	3.32	3199.93	4.10
17.	Tripura	1933.10	234.23	0.22	0.11	234.56	12.13
18.	Uttar Pradesh	11797.590	4393.22	3.12	0.88	4397.22	3.73
19.	West Bengal	78452.59	2488.25	6.26	2.83	2497.34	3.18
	All India (GDP)	1285259.00	43118.88	113.06	39.17	43271.11	3.37

Quick Estimates: JRY: Jawahar Rozgar Yojana MPLAD: Member of Parliament Local Area Development Scheme.

Source: CSO for All India and Directorates of Economics & Statistics of respective State Government for State Domestic Product (SDP)

Note: (i) The UT's of Chandigarh, Dadra & Nagar Haveli, Daman & Diu and Lakshadweep, do not prepare these estimates.

(ii) For All India Educational Expenditure, see Table 25, Column 2

(iii) Educational Expenditure in column 3 also includes of Railways, Defence Ministry.

### **Financing the Educational Budget in Relation to Six Percent GDP**

68.0 Now the basic question arises as how the quantum of educational budget will be financed by the government over the period as stipulated. Given the fact-that education is a concurrent subject, financing the educational budget in relation to six per cent GDP is a joint responsibility of the Centre and States. The Status of the educational expenditure (1996-97) in relation to State Domestic Product (SDP) showed in table 41 indicates that smaller states whose revenue base is small are spending more than six per cent of their SDP on education. These states are:

Arunachal Pradesh (8.21%); Meghalaya (7.77%); Tripura (12.13%). Assam is also spending more than 6%. Other States, which are spending less than 6% of their SDP, have to enhance their educational outlay in relation to their corresponding SDP. The states have to develop their own framework to reach the desired level of outlay in the next decade of Planning.

### **Convergence of Schemes/Services**

69.0 Another point that has come to the notice of this Committee is that different Ministries or Departments within the same Ministry at the centre as well as at state level are allocating funds for more or less similar types of programmes/services/schemes. For example, in elementary education, different Ministries /Departments/Bureaus have formulated schemes which could easily be converged at the State/District level. This convergence is not only desirable in the government sector but it is equally important to leave scope for

participation of the private sector. As a matter of policy as well as for strategic considerations both private and public sector should work in tandem for optimising the results. Where a good NGO is doing well in non-formal education or adult education programme, the government presence need not necessarily be emphasised. This will save energy and money, as well as ensure better educational efficiency.

70.0 Thus if convergence of services is achieved, it will lead to a higher allocation by Departments other than Education Department(s) to education Sector. The Working Group on Higher Education (IX Plan) has recommended that "The Ministry of Human Resource Development should not have to be the sole funding department of the university or the Education Departments in the States for the State Universities. Each Department should set aside about 10 per cent of its allocation for education, under-graduate and professional courses". The North-Eastern Council should include education as one of its development responsibilities.

Similarly, user departments and private employers should be equally responsible. The contribution should support basic infrastructure development such as laboratories and libraries, research, and new courses in emerging areas in the various fields of humanities, social sciences, science, technology, management, medical and para-medical and other areas of expansion.

71.0 As already discussed, that MHRD is already covering 149 districts under DPEP and in addition it has identified additional 93 districts in next phase under DPEP. Thirteen districts are being allocated to Lok Jumbish Programme to achieve 100 per cent universal access to primary education in Rajasthan. In all thus, 255 districts will obtain priority of attention and allocation of funds towards UEE. In a recent exercise, Ministry of Rural Areas and Employment has identified the economically most backward 100 districts (including education component too as one of the criteria of backwardness) MHRD's, own exercise about the low female literacy districts identified 149 such districts working out on the basis of their current position. In future, it will be strategically significant if the central assistance to states from plan-funds is directed to such districts. An additional list is prepared by this committee (annexure-v) which need to be covered in the immediate future by state governments through special dispensation if the goal of universal elementary educations is to be achieved in time-bound manner. This also includes schemes meant for adult education programmes at the Centre/State-Government Level. The list is prepared of the remaining districts which are not covered either by the DPEP or Lok Jumbish Programme in near future and are identified in the documented list of MHRD or Ministry of Rural Areas and Employment.

**Finance Commission Award:**

72.0 The Tenth Finance Commission recommended devolution of additional funds for primary schools for construction of girl's toilets, drinking water facilities etc. This type of additional devolution of funds may be extended to other sectors of education for physical infrastructure . However, this additional support was linked with female literacy level of a district in a state. The Tenth Finance Commission identified 83 districts where female literacy rates were below 20 per cent and 199 districts with rates between 20 and 40 per cent in 1991. This identification helped the Commission in recommending additional allocations for upgradation grants to states. Similar exercise needs to be done this time.

**Linking Allocation of Funds to Educational Development Index (EDI)**

73.0 Education Division of the Planning Commission has developed an Educational Development Index (EDI) for the States/UTs selecting relevant parameters like:

(1) investment in education, (2) literacy achievement, (3) universalisation of elementary education and (4) availability of educational facilities. Each of the four parameters have been further classified into four sub-parameters each. It is recommended that decisions for allocating plan grants to states for education sector or deciding how much a state should invest in education out of its own budget should be linked with 'EDI' so as to provide a more scientific approach in allocation of funds on one hand and to meet equity criteria Once the 'EDI' is accepted as a valid tool, it should be used as one of the instruments for allocation of funds, particularly at the elementary stage. Educational Development Index can be improved upon through more studies on it.

**Allocation of JRY and EAS Funds to School Buildings:**

74.0 The Department of Rural Development, Ministry of Rural Areas and Employment is the nodal agency for providing assistance for construction of school buildings under its two schemes viz:

(a) Jawahar Rojgar Yojana, (b) Employment Assurance Scheme.

Under JRY, the primary school buildings are constructed only in those revenue villages which have sanctioned schools without buildings of their own. A school building will, according to the guidelines, have two large rooms of approximately 30 sq. meters each with a deep verandah and lavatories/urinals separately for boys and girls in separate corners. If any construction work is proposed to add to expand the existing school buildings, it would be limited to building the gap between the existing building and the two-room building envisaged under these guidelines. Under JRY, there is also a provision for playfields as well as for Jana Shikshan Nilayams for running adult education centres. Our analysis shows, as is indicated in Table 4, that under JRY out of the government funds, both of the Centre and State, allocated between 1989-90 and 1996-97 (provisional), only 4.97 per cent have been spent on school buildings.



In terms of physical progress, 2,22,117 school buildings/rooms were constructed between 1989-90 and 1996-97.

**(b) Employment Assurance Scheme (EAS)**

Civil works can also be undertaken under the Employment Assurance Scheme which has been started from October 2, 1993. The expenditure under EAS is shared between the Centre and the States on 80:20 basis. The central assistance under the scheme is directly released to the District Rural Development Agencies and Zila Parishads. However, there is no data available as to how much money for civil works has been allocated to school-infrastructure under EAS since its inception.

75.0 As per present stipulation, the construction of school buildings is primarily the responsibility of the State Governments. However, in consultation with the Department of Education, the Ministry of Rural Areas and Employment has worked out a formula under the Jawahar Rojgar Yojana (JRY) to ensure availability of funds for construction of primary school buildings under the operation Blackboard scheme. According to the formula, 48 % of the funds for construction are provided by the Ministry of Rural Areas and Employment as central matching share of JRY, if states raise 12 % JRY State share and 40 % Non-JRY share. As is seen, the fund allocation to school buildings is quite low, whereas the physical deficiency gap of infrastructure in school buildings/class rooms is quite high. This Expert Committee is of the considered view that there should be a mandatory allocation of at least 25% of JRY and EAS funds for school buildings/class-rooms in rural areas in order to cover the physical deficiency of infrastructure related to school buildings.

Further, additional funds should also be made available from the Member of Parliament Local Area Development Scheme (MPLAD) for this purpose. If the State legislatures have also such schemes for their legislators, that should also serve as a supplementary.

**School Construction Programme under District Primary Education Project (DPEP)**

76.0 There is a provision for construction of school buildings, cluster-resource-centres and block-resource centres under the District Primary Education Project. This project is, at present, covering 149 districts. Majority of them are low female literacy districts. For civil works, as per guidelines of DPEP, upto 24% of the approved budget for the programme could be used.

77.0 Similarly, under the Lok Jumbish Project in Rajasthan, an interesting and useful approach of concentrating on repairs and maintenance of buildings with community support has been found worth trying. This could be replicated in other states also. This will reduce the need for a significant amount of expenditure on new school buildings. Further, this Committee feels that the design of the school buildings should be modified as has been standardised in the DPEP districts. This allows the element of cost-effectiveness as well as utility-based-provision of physical facilities in an educational institution.

**Vocationalisation of Education at the Secondary and Senior Secondary Stage:**

78.0 Vocationalisation of secondary and senior secondary stage has been reiterated under National Policy on Education 1986, (revised in 1992). In 1996, there were 3083 Industrial Training Institutes with an intake capacity of 4,73,718, providing vocational training in 42 Engineering and 18 Non-Engineering trades. The World Bank has assisted 560 ITI's in 28 States/UTs in the first phase of the project. The second phase has been in operation w.e.f. July, 1996, and will cover 1500 ITIs. The UNFPA also assisted Phase -I which ran between December, 1988 and December, 1992 and covered 1000 ITIs. These ITIs are being run by the State Governments. At the Centre, the Ministry of Labour, through its Directorate General of Employment & Training (DGE&T), provides technical and logistic support.

79.0 Besides ITIs, Ministry of Human Resource Development has been implementing a Centrally Sponsored Scheme of vocationalisation at +2 stage. So far, all the states /UTs, except Lakshadweep, have joined the programme. Upto the end of 1996-97, 18719 vocational sections had been approved in 6,486 schools, creating capacity for diversion of 9.35 lakh students to the vocational stream at the plus two stage. The point at issue at this stage is convergence of these courses and 'nodal ministry which should provide a single window' delivery of such courses at the institution level. This Committee strongly feels that, at present, different ministries are operating such formal and non-formal vocational courses. This is not a cost-effective measure in terms of optimal use of resources.

80.0 All Ministries of the Central Government should accept the DRDA in the rural areas and the urban Local Bodies in the urban areas as the nodal agencies. They should identify the training needs of the areas and then distribute the financial responsibility as between ITIs, Community Polytechnics, Krishi Vigyan Kendras, TRYSEM master craftsmen and other training agencies. This will help to optimise the results of all such vocational training programmes. Ratio of State Share and Central Share (both Plan and Non-Plan) in relation to 6% of Gross Domestic Product:

81.0 Another way of looking at the allocation of resources is in terms of ratio of State and Central Share as expressed in terms of plan and non-plan components with respect to division of six per cent of Gross-Domestic Product. The budget estimates on Education by education departments and other departments both in terms of plan and non-plan for the year 1996-97 are indicated in Table 42.

Table 42

**Expenditure On Education By All Departments**  
(Revenue Account)  
(1996-97)

(Rs. in crores)			
	Education Departments	Other Departments	Total
<b>A States</b>			
Plan	4250.59	1696.92	5947.51
Non-Plan	27020.68	3186.20	30206.88
<b>Total</b>	<b>31271.27</b>	<b>4883.12</b>	<b>36154.39</b>
<b>B Union Territory</b>			
Plan	207.74	66.15	273.89
Non-Plan	571.84	51.95	623.79
<b>Total</b>	<b>779.58</b>	<b>118.10</b>	<b>897.68</b>
<b>C Central</b>			
Plan	3386.02	1354.35	4740.37
Non-Plan	1092.40	527.58	1619.98
<b>Total</b>	<b>4478.42</b>	<b>1881.93</b>	<b>6360.35</b>
<b>D Grand Total</b>			
Plan	7844.35	3117.42	10961.77
Non-Plan	28684.92	3765.73	32450.65
<b>Total</b>	<b>36529.27</b>	<b>6883.15</b>	<b>43412.42</b>

**Source:** MHRD: Analysis of Budgeted Expenditure on Education: 1994-95 to 1996-97. (1998): Statement No. (3), P.110.

**Note:** Under Capital Account which include (a) capital, (b) Loans and Advances account; The Central Budget for 1996-97 was Rs. 0.02 crore under Capital and Rs. 0.50 crore under Loans and Advances. States/UT's combined together accounted for Rs. 309.70 crore of which Rs. 298.25 crore were under Capital and Rs.11.45 crore under Loans And Advances. No break up is available between States/UT's under Capital Account. [Table.I] lbid: P 5.

The total expenditure on education, according to MHRD publication, was Rs. 43412.42 crore in 1996-97. This includes both Revenue Account and Capital Account budget. Thus share of Centre (including Union Territories) was Rs. 7258.03 crore (16.72 per cent) and of the States was Rs. 36154.39 crore (83.28%).

In terms of its break up, between plan and non-plan component, between Centre (including Union Territories) and States could be summarised as given in Table 43:

**Table 43**  
**Sharing of Plan and Non-Plan Educational Expenditure**  
**Between Centre and States (1996-97)**

	Plan	Non-Plan	Total
<b>States</b>	5947.51 (54.26)	30206.88 (93.09)	36154.39 (83.28)
<b>Central+UT's</b>	5014.26 (45.74)	2243.77 (6.91)	7258.03 (16.72)
-----			
<b>Total</b>	10961.77 (100.00)	32450.65 (100.00)	43412.42 (100.00)
-----			

Figures in brackets indicate the percentage of the total.

From the above statement: we could deduce the following observations:

(i) Out of the total expenditure on education by Centre and the State Governments, plan expenditure accounts for 25.25 per cent and non plan expenditure 74.75 per cent.

(ii) Central Share in the total education budget is 16.72 per cent and of the State Sector 83.28 per cent.

(iii) Of the total plan budget for education, the share of Central Sector is 45.74 per cent and the State Sector Share is 54.26 per cent.

(iv) Under the State Sector, the Share of plan component is 16.45 per cent and the non-plan component is 83.55 per cent.

(v) In the Central Sector, the plan component is 69.09 per cent and non-plan 30.91 per cent of the educational expenditure.

82.0 If we go by plan and non-plan component sharing between the Central and State Governments of 6 per cent GDP, thus position in 1996-97 is given in Table 44:

Table 44

Ratio of Central and State Governments (Plan and Non-Plan)

As 6 per cent of GDP:

1996-97

(Rs. in crore)

-----  
1996-97

(1) GDP at factor cost Rs. 1285259 crores  
(at current prices)

(2) 6% of GDP Rs. 77115.54 crores or say Rs. 77116 crores  
for Education

	Centre	States	Total
Ratio	16.72%	83.28%	100.00

(3) Break up Rs. 77116 cr. 12893.80 64222.20 77116.00  
between Centre and State  
at the current ratio of  
sharing (1996-97)

Central Sector Share on Education

	Plan	Non-Plan	Total
Ratio:	69.09%	30.91%	100.00

(4) Break up of Central 8908.46 3985.54 12894.00  
Share of Rs. 12893.80 cr.  
or say 12894 cr. on Education  
into Plan and Non-Plan  
components at 1996-97  
ratio.

State Sector Share on Education

	Plan	Non-Plan	Total
Ratio	16.45%	83.55%	100.00

(5) Break up of State 10564.52 53657.48 64222.00  
Sector Share of Rs. 64222 cr.  
on education unit Plan and  
Non-plan components at  
the 1996-97 ratio.



If we examine the position of current deficit of expenditure on education sector in relation to reach the threshold level of six per cent of GDP. We find a significant gap both at the Centre and in the State Governments, The public expenditure on education in 1996-97(National Accounts System) was Rs. 43271.11 cr. or say Rs.43271 crore against the desired level of Rs. 77116 crore, a current deficit about Rs. 33845 crore. (43.89 per cent).

If we go by MHRD data which breaks up the educational expenditure in terms of Plan and Non-Plan components and of the desired level of expenditure both at the Central and State sectors in relation to 6 per cent of GDP in 1996-97, the gap is reflected in Table 45.

83.0 This Committee suggests the following normative guidelines as an 'offshoot' of an exercise based upon 'Educational Development Index' .(EDI) from the year 1999-2000.

TABLE-45

**GAP OF EXPENDITURE ON EDUCATION IN RELATION TO SIX PERCENT OF  
GDP AT 196-97 LEVEL.**

(Rs. in crore)

	Desired level of expenditure (6% of GDP)			Expenditure on education in 1996-97			Gap in expenditure	
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan
	(i) States	10564.52	53657.48	64222.00	5947.51	30206.88	36154.39	4617.01
(ii) Centre	8908.46	3985.54	12894.00	5014.26	2243.77	7258.03	3894.20	1741.77
UTs								
<b>TOTAL</b>	<b>19472.98</b>	<b>57643.02</b>	<b>77116.00</b>	<b>10961.77</b>	<b>32450.65</b>	<b>43412.42</b>	<b>8511.21</b>	<b>25192.37</b>

Note : - Worked out from Table 43 and '4.

Formula I: From the year 1999-2000, the states which are (based upon GSDP criteria) incurring less than 6 % to their GSDP, should reach the threshold percentage of 6 per cent over the years at the earliest but not later than 2007. The States which are at present spending 6 per cent or higher should continue to maintain this level in order to improve upon the quality and efficiency in the education system. particularly at the elementary stage.

Formula 2: The states which are spending less than 6 per cent of (based upon Per Capita their GSDP are those with large-sized of population. Expenditure on education) In order to adjust for population size, it is suggested that a norm of per capita expenditure on education should be followed. For this, it is suggested that those states which are spending less than Rs. 500 ( at 1996-97 prices) should reach the level of at least Rs. 500 per capita. The states which are spending greater than Rs. 500 but less than Rs. 1000, should reach the level of Rs. 1000. The states which are spending more than Rs. 1000 should at least continue to maintain that level and if possible to spend more in order to improve the quality of education.

Formula 3: (i) The states which are investing on education less (based upon Plan Exp. on Education in relation to it to a level of 15 per cent.

(ii) The states which are investing on education more than 10 per cent of their 'plan budget' should scale it up to 20 per cent.

Formula 4: (i) The States which are spending less than 50 (based upon level of revenue Exp.on Elementary Edn. in relation to the total revenue Exp.on Education Sector) percent of their educational revenue expenditure on elementary education should raise it to 50 per cent and move forward to reach a level of 60 per cent over the next five year plan.

(ii) The states which are spending 50 per cent and above but below 60 per cent of their educational revenue expenditure of the total education budget, should raise it to 60 per cent in the next two years and then maintain it in future after reaching this level.

Formula 5: (based on total public expenditure on education in relation to total expenditure of the State Govt. in a year) Based on the total public expenditure on education in relation to total expenditure of the State government in a year, the State governments should spend not less than 20 per cent of their budget on education. State governments which spend less than 20 per cent should be advised to raise it to the level of 20 per cent.

This was recommended by Kher Committee ( 1948-49).

## CHAPTER-7

### In Conclusion

84.0 The current status of both public and private expenditure on education in 1996-97 accounted for Rs.43271 crore and Rs.16948 crore. This ratio works out to a level of 3.37 and 1.32 per cent of GDP respectively. The level of GDP in 1996-97 was Rs.1285259 crore. If the public sector is allocated 6 per cent of GDP at 1996-97 prices, then absolute amount works out to be Rs.77,116 crore in 1996-97. Between 1999-2000 and 2006-2007, a commulative figure of educational expenditure, if recommendations of gradual increase in allocation of 6 per cent GDP is made, totals upto Rs.7,52,739 crore if GDP increases by 6 per cent annually. Part of it will be defrayed as a committed expenditure to sustain the existing educational system.

Further, out of the total expenditure on education by centre and the State governments, developmental expenditure (Plan expenditure) accounts one-fourth and non-plan expenditure three-fourth ( base: 1996-97). If the same ratio is assumed, then availability of funds out of this aggregate of Rs.7,52,739 crore accounts for Rs.1,88,185 crore which could be treated as developmental expenditure. As recommended, out of this 60 per cent should be allocated to elementary education which would mean 1,12,911 crore and the balance of Rs.75,274 crore for other sectors of education. Now the question arises as what would be the strategy to improve upon the physical access as well as quality programmes in education sector. The Sector-Wise scenario can briefly be described as follows.

## 85.0 Elementary Education

Additional enrolment at the lower primary stage is likely to go upto 44550 thousands or say around 4.46 crore between 1996-97 and 2006-07 and at the upper primary level 23310 thousands or say 2.33 crore. It is expected that at the lower primary stage 511 thousand additional teachers and at the upper primary stage 425 thousand teachers may be inducted during the period. Construction of additional school buildings and rooms will be possible and it is expected that 200 thousand such school buildings and additional rooms will be added. Innovative and cost-effective approach is necessary in designing the school buildings so as to make them utility-oriented and climate-friendly. Further-in-service teacher programmes using multi-media approach in Teacher-Education Programme will be desirable so as to cover larger number of teachers.

85.1 Eleventh Finance Commission should recommend special dispensation/devolution of additional funds for primary, school buildings and construction of girls' toilets, drinking water facilities, etc. This type of additional devolution of funds may be extended to other sectors of education for physical infrastructure.

85.2 At present various Ministries/Departments are running schemes pertaining to elementary education. If universalisation of elementary education is to be achieved, then there is dire need of convergence of these schemes and pool of resources in the form and pattern as is obtainable at the district level for rural development schemes. The District Rural Development Agencies (DRDA) in rural areas and the Urban Local Bodies in the urban areas are the nodal agencies for 'transfer of funds' for various schemes and training programmes.

Similar type of administrative arrangement in the form of District Elementary Education Agency should be formulated. This will on one hand lead to decentralisation of management and devolution of financial power on the other hand it will avoid multiplicity of parallel administrative mechanism.

85.3 Schools should be established on a population-cum distance approach so as to cover all habitations within a reasonable distance and serve a longer size of population per school. In hilly, coastal and desert areas, need based provision of schooling is required. For nomadic, migratory or tribal colonies, a different type of schooling as well as provision of physical access is warranted.

85.4 The private sector may have to play a more important role in the development of education in the country. Sixth All India Educational Survey data (1993) showed that at the primary stage, private aided schools accounted for 3.78 per cent of the total number and private unaided schools constituted 4.12 per cent. At the upper primary stage, the percentage more than doubled-it was 9.53 per cent in case of private-aided and 11.02 per cent in case of private unaided schools. At the secondary and higher secondary stage, these ratios went further up to 35.17 and 44.99 per cent respectively for private aided schools and 16.08 and 12.64 per cent for private unaided schools. It would be a more wholesome approach if both private and public sector open composite schools covering pre-primary, primary and upper primary stage on cluster-based requirements rather on random or distance-based norm. The reason is that in the next decade the demand for upper primary and secondary schools is likely to increase. The

growth rate of upper primary schools and high schools in 1993 over 1986 was comparatively higher than for primary schools. Upper primary schools in rural areas increased by 14.29 per cent, as compared to 6.67 percentage increase in the case of primary schools. In urban areas, the increase of upper primary schools was 29.43 per cent as compared to 18.84 per cent for primary schools. Similarly, percentage increase of high schools in rural areas in the same period was 23.18 and in urban areas 29.17. The reason is obvious and relates to the widening of the base of education pyramid. It will also be prudent to add sections of pre-primary schools so as to integrate pre-primary education to primary and further to upper primary under 'one-campus' approach. This will further rationalise placement of teachers with better qualifications and experience. It will also solve to a great extent the 'viability' problem of size of a school as well as adequate funding to an upgraded school. This will also meet the requirement of the national norm of having a 2:1 ratio between lower and upper primary schools.

#### 86.0 Secondary and Senior Secondary Stage:

As discussed in the preceding para, the pyramid of education is widening. Demand for secondary and Senior Secondary Schools is likely to increase in near future. The key issues in secondary education, apart from access are quality, modernisation and diversification. The norms developed by the NCERT for standards of minimum facilities that should be available in secondary and senior secondary schools during the 8th Plan will require serious implementation wherever required. The concept of Minimum Levels of Learning (MLLs) should be extended to



the secondary stage as well. Certain aspects of quality are related to the expansion itself as envisaged in some of the formulations of the National Policy on Education, 1986 ( revised in 1992). This entails increased access to secondary education to women, SC, STs and other disadvantaged sections particularly in areas of Science, Technology, Vocational education, Commerce, Computer education. This means not only increased enrolment but also creation of facilities in curricular areas where they have been grossly lacking.

86.1 In order to upgrade the quality of teachers, the process of strengthening Secondary Teacher Education Institutions viz. Colleges of Teacher Education (CTEs); Institutes of Advanced Studies in Education (IASEs) will continue with additional financial inputs. Further Open Learning System will be possible with additional facilities of teleconferencing, use of educational technology and training of in-service teachers through distance mode. The role of IGNOU, National Open School, State Open-Universities, SCERTs and State-open schools, NCERT will be much more. Programme of Science Education in schools, Computer education is likely to get booster if funds are made available to this sector.

#### Technical Education

87.0 Next century for Indian education is a challenging one. It is simply because of the fast development around the world if we consider the following trend setters:

- (a) Major innovations in Science and Technology;
- (b) Changes in economics and politics due to globalisation, liberalisation and marketisation.

(c) Transformation in demographic and social structures within the country and the bearing of concept of the global village.

(d) A concern for human development from economic growth.

Technical education is to reshape and adapt to this challenge by injecting IT component.

87.1 In recent times, there has been a spurt of private investment in the expansion of the technical education in the country. While this trend is healthy but at the same time, emergence of many sub-standard and ill-equipped institutions is a matter of concern. So to maintain quality and expansion the governmental support is necessary. To put the matter in right and judicious manner, the public sector investment in technical education will be for the following areas:

1. Quality assurance and accreditation;
2. Infrastructure development and innovation;
3. Promotion of frontier areas of technology;
4. Human resource development;
5. Industry-institution interaction;
6. Technology forecasting and growth regulations;
7. Technical education for women, physically handicapped and weaker sections of the society;

It is in this context National Institutes, Regional Engineering Colleges, Community Polytechnics and State government technical institutions would require additional resources. Additional resources should also be made available to increase the intake capacity of IITs, RECs, leading State-level and University departments of Engineering and Technology. It is expected that 150 more Community Polytechnics may come into being during the next 6-7 years.

## Higher Education

88.0 Delors Report (1996) observes:

" Employment structures are changing as societies progress and machine replaces human beings; the number of manual workers is declining whereas supervisory, management and organisational tasks are expanding thus increasing the need for intellectual abilities in employees at all levels-- the pressure of modern technologies puts premium on those capable of understanding and copying with them. In addition, the service sector which is coming to pre-dominate in the long industrialized countries, often calls for a general education and understanding of the human environment that makes new demands on education. Innovative forms of development call for perceptiveness and imagination" (P.133)

It is in this context, higher education system in India is to be made outward looking. This requires changes in the academic curricula, increase in research and teaching partnership and networking between universities. In higher education, quality improvement programme on one side and provision of access to unserved areas and population to meet equity criteria on the other are considered as thrust areas of development in the next decade. This calls for upgradation of infrastructure, inter-disciplinary approach in teaching and increased scale of funding to those universities and colleges which deserve the most. Fifty per cent of the 9703 affiliated colleges are not eligible for UGC assistance as they either do not fulfil the conditions for recognition under UGC Act (2f) or even if recognised, do not come under the Clause of (12B) for want of minimum requirements such as the minimum number of students and staff. A disturbing feature has been the proliferation of the universities and colleges. This trend needs to be arrested and attention should be paid to college sector where the concept of autonomy could be gradually developed. At present, there are only 123 such autonomous colleges which are empowered to develop the course, plan the learning-teaching methodology and decide on the best means of evaluating the students knowledge, skills and

attitudes. This will be possible if these colleges are made strong enough in physical infrastructure and teaching. Further relevance and quality of higher education should be enhanced by:

(i) incorporating hands-on-experience in the curriculum particularly at the undergraduate level;

(ii) developing inter-disciplinary programmes;

(iii) developing research support in the universities and especially develop linkages of research with society and societal problem including rural and industrial development;

(iv) developing of support system for qualitative improvement through Audio-visual Research Centres and Educational Media

Research Centres;

(v) providing a stimulus for accreditation by linking incentive grants to universities;

(vi) developing special schemes for women, for the minorities, other weaker sections in backward areas (rural, tribal, hilly, desert, urban slums) and the differently abled.

## CHAPTER-8

### EXECUTIVE SUMMARY

1. This Expert Committee reiterates the commitment of investment of six per cent of Gross Domestic Product on education, which should come only from the government sector and it should come at the earliest. The ideal situation would be one in which the percentage is raised to 6 per cent of GDP from the year 1999-2000 itself. However, if the sudden transition is not possible due to the logic of the situation and the absorptive capacity of the education sector, we could increase the percentage gradually to 6 per cent by 2007. From the public sector and at the same time private sector should also be encouraged by various means for its contribution so that by 2007, the level of total educational investment ( both public and private) should go upto ten per cent of GDP.

2. The proportion of the National Income (GDP) devoted to education in India is small in comparison with that in advanced countries of the world.

3. Public expenditure on education in 1996-97 accounted for Rs. 43271.11 crore which is 3.37 per cent of the Gross Domestic Product(GDP). The GDP in 1996-97 (at current prices) was Rs.1285259 crore.

4. Private expenditure on education in 1996-97 accounted for Rs. 16947.54 crore i.e. 1.32 per cent of the GDP.

5. A large backlog is noticed for schooling facilities with respect to pucca school buildings, teachers, civic amenities, etc. Much of these physical deficiencies are found in the government-managed institutions. Only 38.6 per cent of schools under direct control of government and 45.13 per cent under local bodies were having pucca buildings.

6. As on 30.9.1997, the physical deficiency of primary school teachers was about 1.21 lakh teachers.

7. The literacy rate for India was 62 per cent ( seven years and above) in 1997.

The states which fall below this national literacy rate are Andhra Pradesh, Bihar, Jammu & Kashmir, Karnataka, Madhya Pradesh, Orissa, Rajasthan and Uttar Pradesh. If we have to achieve our aim of 100 per cent literacy in the country by 2005, annual increase in literacy rate will have to be enhanced from the present average rate of 1.07 per cent to 4 per cent yearly.

8. Universal primary education in the 1st phase on a crash basis and universal elementary education within a definite time-frame should be carried out.

9. Information technology has to be harnessed in a big way at all stages of education and next decade of educational planning, its expansion should keep IT at the central-stage. The investment both in the public sector and the private sector is to be enhanced to this sector.

10. Private and household sectors should be encouraged to raise their contribution in terms of GDP. The private initiative should be promoted by economic incentives viz. rebate on taxes, rates and tariffs, subsidy on land cost and bank loans on the establishment of educational institutions by private sector or charitable sector on non-profit no-loss basis.

11. Allocation of Plan funds should be linked to Education Development Index (EDI) of a State/UT, so as to influence higher allocation in objective terms. This is likely to benefit the targetted population and pockets of backwardness on equity criteria and at the same time force the better off states to spend proportionately more on education in relation to their SDP. 'EDI' linked allocation is much of relevance for universalisation of elementary education.

12. School programme should be remodelled by using 'cost-effective' techniques and logistics. For example, the capacity of the existing physical facilities particularly in the rural areas should be used for absorbing further intake of students. The average enrolment in class I-XII combined was 150 in rural areas and in the urban areas it was 375 in 1993. There exists scope of utilising the existing physical facilities.

13. The number of teachers in schools should be immediately increased by inducting para-teachers with a tacit recognition that they will be regularised with full parity in pay scales and service conditions after a stipulated contract period. The single or two teacher primary

schools could be supplemented by this arrangement. A national scheme on the pattern of Education Guarantee Scheme of Madhya Pradesh government could be evolved on the basis of local conditions.

14. Schools should be established on population a cluster approach' rather than a purely 'distance approach' so as to cover all habitations within a reasonable distance and serve a larger size of population per school. In hilly, coastal and desert areas, need based provision of schooling is required. For nomadic, migratory or tribal pockets, a different type of schooling as well as provision of physical access is warranted.

15. The various working groups set up for financial requirement for general education and technical education have estimated Rs.1,20,069.38 crore in the Central Sector alone. In the State Sector, the financial requirement which was recommended by these groups covering only elementary and technical education was Rs.49261.08 crore.

16. This committee is of the view that higher education as a process of human development as well as to meet the required manpower expected from the tertiary sector of education, will require adequate governmental budgetary support from some time to come. In order to reduce the financial impact of subsidies on higher education the committee recommends the following approach:

- (i) upscaling of tuition and other fees so as to reach a level of 20 per cent of maintenance expenditure of the universities and colleges as recommended by Punnayya Committee set up by the UGC.



(ii) adopting economy measures in expenditure by deployment of the core staff' and servicing civic amenities and maintenance of public works, other utilities through service contracts.

But at the same time, Government should provide an enabling environment for expansion of this sector through necessary economic incentives in the form of rebate on taxes, rates and tarrifs, subsidy on land-cost and bank loans for the establishment of educational institutions by the private sector.

17. By 2007, to reach 6% target of GDP, government expenditure on education should be Rs. 1,31,423 crore if GDP increases by 6% rate over this period at 1996-97 prices.

18. The committee recommends that there is need for convergence of services/schemes/projects in order to save effort, money as well as ensure better educational efficiency. Various Departments in Ministry or various allied Ministries, should develop and coordinate a convergent approach rather initiating new schemes for similar objectives, and beneficiaries. As a matter of policy as well as for strategic considerations both private and public sector should work in tandem for optimising the results.

19. Eleventh Finance Commission should recommend special dispensation/devolution of additional funds for primary schools for construction of girl's toilets, drinking water facilities etc. This type of additional devolution of funds may be extended to other sectors of education for physical infrastructure.

20. There should be a mandatory allocation of at least 25 per cent of JRY and EAs funds for school buildings/class-rooms in rural areas in order to cover the physical deficiency of infrastructure related to school buildings. Scheme of MPLAD should also be included for this purpose so as to enhance the 'pool' of resources for this purpose.

21. A special dispensation should be made for the districts which have been identified educationally and economically the most backward.

22. All Ministries of the Central Government should accept the District Rural Development Agency (DRDA) in rural areas and the Urban Local Bodies in the urban areas as the nodal agencies for 'transfer of funds' for various schemes and training programmes in vocational skills for purpose of coordination and avoiding multiplicity of parallel administrative mechanisms.

23. Out of the total expenditure on education by Centre and the State Government, plan expenditure accounts for 25.25 per cent and non-plan expenditure 74.25 per cent (1996-97).

24. Central Share in the total education budget is 16.72 per cent and of the State Sector 83.28 per cent.

25. Of the total plan budget for education, the Share of Central Sector is 45.74 per cent and the State Sector Share is 54.26 per cent.

26. Under the State Sector, the Share of plan component is 16.45 per cent and the non-plan component is 83.55 per cent.

27. In the Central Sector, the plan component is 69.09 per cent and non-plan 30.91 per cent of the educational expenditure.

28. There was current deficit of Rs. 33845 crore (43.89) per cent on educational investment by the Government if we go by 6% of GDP norm in 1996-97. At the Central level this gap works out to be Rs. 3894 crore under Plan component and Rs. 1742 crore in the non-plan component. At the State Governments level this gap is Rs. 4617 crore under plan and Rs. 23451 crore under non-plan.

29. The educational expenditure of the State Government in 1996-97 was Rs. 39743.68 crore and of the Central Government was Rs. 3527.43 crore.

30. The Committee suggests certain normative guidelines as an 'off shoot' of this exercise.

31. In order to overcome the difficulty of estimating private expenditure as well as by local bodies out of their own resources (part of public expenditure) an independent Statistical Unit should be set up in the MHRD. This unit shall collect data and should study trends of private and local bodies on a regular basis and publish report on annual basis.

## REFERENCES

1. Education And National Development: Report of the Education Commission: 1964-66, National Council of Educational Research And Training: Vol-4, 1970, P860.
2. Analyseis of Budgeted Expenditure on Education: 1994-95 to 1996-97, Department of Education, Ministry of Human Resource Development, Government of India. 1998.
3. lbid; 1997
4. lbid; 1995
5. lbid; 1993
6. Attending an Educational Institution in India: Its Level, Nature and Cost. Report No. 439 (52/25.2/1), NSS Fifty Second Round. (July 1995 - June 1996). National Sample Survey Organisation, Department of Statistics, Government of India. October, 1998.
7. Sixth All India Educational Survey (1993). Various Volumes. National Council of Educational Research & Training, New Delhi.
8. National Agenda For Governance.
9. Report of The Technical Group on Population Projections, August, 1996, Registrar General, Government of India.
10. Ministry of Human Resource Development, Department of Education: Annual Report: 1997-98.

11. Ministry of Labour, Government of India: Annual Report 1996-97. P102.
12. Selected Educational Statistics: 1996-97, Department of Education, Ministry of Human Resource Development, New Delhi. 1998.
13. Working Group Reports on Education Sector, for The Ninth Five Year Plan, Constituted by Planning Commission, Government of India.
14. Technical Paper on Educational Development Index (EDI), Education Division, Planning Commission, Government of India. January, 1999.
15. Ministry of Rural Areas and Employment, Government of India, Annual Report: 1997-98, Annexure-VII, P.151
16. Ministry of Rural Areas & Employment, Government of India, Report of the Committee "To Identify 100 Most Backward And Poorest Districts In The Country". November, 1997.
17. UNESCO Report: ( 1996) Learning The Treasure Within.  
Jacques Delors (ed). Unesco Publishing. P.133

# **ANNEXURES**

Annexure-I

No. P-11099/7/98-Edn.  
Government of India  
Planning Commission  
(Education Division)

Yojana Bhavan, Sansad Marg,  
New Delhi-110001.

Dated the 16th December, 1998

ORDER

Subject: Constitution of an Experts' Committee to assess the current status of expenditure on education, both in public sector and private sector and its proportion to GDP

In the context of the commitment made by the Government to increase the governmental and non-governmental spending on education, it has been decided to set up an Experts' Committee to assess the current status of expenditure on education both in public and private sector and its proportion to GDP.

2. The composition of the Experts' Committee shall be as follows:

The list of the Members of the Experts' Committee Annexure

- |  |          |
|--|----------|
| 1. Principal Adviser (Education),<br>Planning Commission.  | Chairman |
| 2. Secretary,<br>Deptt. of Statistics,<br>Sardar Patel Bhawan,<br>New Delhi-110001.  | Member   |
| 3. Shri M.R. Kolhatkar, IAS (Retd.),<br>Flat No. 501, 'CHARLEVILLE',<br>Co-operative Housing Society,<br>'A' Road, Churchgate,<br>Mumbai-400020. | Member   |
| 4. Adviser,<br>Perspective Planning Division,<br>Planning Commission.  | Member   |
| 5. Joint Secretary (Planning),<br>Deptt. of Education, Ministry of HRD,<br>Shastri Bhavan, New Delhi-110001.                                     | Member   |

- |     |  |        |
|-----|--|--------|
| 6.  | Secretary,<br>University Grants Commission,<br>Bahadur Shah Zafar Marg,<br>New Delhi-110001.   | Member |
| 7.  | Member-Secretary,<br>All India Council for Technical Education,<br>Indira Gandhi Indoor Stadium,<br>Sport Complex,<br>New Delhi-110002.  | Member |
| 8.  | Dr. J.B. <del>S</del> Tilak,<br>Senior Fellow and Head,<br>Educational finance Unit,<br>National Institute of Educational<br>Planning and Administration (NIEPA),<br>Sri Aurobindo Marg, New Delhi-110016. | Member |
| 9.  | Director,<br>National Council of Educational<br>Research and Training,<br>Aurobindo Marg,<br>New Delhi-110016.   | Member |
| 10. | Director,<br>Institute of Applied<br>Manpower Research,<br>New Delhi-110002.   | Member |
| 11. | Dr. Abusaleh Shariff,<br>Principal Economist,<br>National Council of Applied,<br>Economic Research,<br>Parshilla Bhavan, Ring Road,<br>New Delhi-110002.   | Member |
| 12. | Mr. Mahesh Vyas,<br>11, Apple Heritage,<br>54C, Andheri Kurla Road,<br>Andheri (East),<br>Bombay-400093.   | Member |
| 13. | Prof. P.R. Panchmukhi,<br>Director,<br>Inter Disciplinary Research Centre,<br>Dharwar, Karnataka.  | Member |



- |   |                  |
|---|------------------|
| 14. Prof Sri Prakash<br>5\3 NIEPA Quarters,<br>17-B, Sri Aurobindo Marg,<br>New Delhi-110016.   | Coopted Member   |
| 15. Director,<br>National Institute of<br>Public Finance and Policy,<br>18/2, Satsang Vihar Marg,<br>Special Institutional Area New JNU,<br>New Delhi-110016. | Coopted Member   |
| 16. Joint Adviser (Education)<br>Education Division,<br>Planning Commission,<br>New Delhi-11  | Member Secretary |

3. The terms of Reference of the Experts' Committee shall be as follows.
  - i) to assess the current status of expenditure on education, both in public and private sector, and its proportion to GDP: and
  - ii) to recommend implementational strategies for gradual increase of governmental and non-governmental spending on education upto 6% of the GDP.
4. The Chairman of the Experts' Committee may, if deemed necessary, co-opt additional members.
5. The Experts' Committee shall submit an interim assessment to the Planning Commission within one month of its constitution and the final Report within three months.
6. The expenditure on TA/DA of official Members in connection with the meetings of the Experts' Committee will be borne by the parent Departments/Organisations to which the Members belong. Non-Official Members will be entitled to TA/DA as admissible to Group 'A' Officers of the Government of India and this expenditure will be borne by the Planning Commission.

(Arvind Kumar)  
Deputy Secretary to the Government of India

To: The Chairman and Members of the Experts' Committee.

Copy to:

1. Ps to Deputy Chairman.
2. PS to Minister of State.
3. Member-Secretary.
4. Special Secretary.
5. All Heads of Divisions.
6. Admn. I Sec./Accounts I Sec.
7. Information Officer.

(Arvind Kumar)  
Deputy Secretary to Government of India

**STATES & DISTRICTS COVERED UNDER DPEP**

1	ASSAM (9) Expansion Districts	Darrang, Dhubri, Karbi, Anglong, Morigaon Kokrajhar, Bongaigaon, Goalpara, Barpeta, Sonitpur
2	HARYANA (7) Expansion Districts	Hissar, Jind, Kaithal, Sirsa Gurgaon, Bhiwani, Mahendragarh
3	KARNATAKA (11) Expansion Districts	Belgaum, Kolar, Mandya, Raichur Bellary, Bidar, Gulbarga, Mysore, Bijapur, Bangalore (Rural), Dharwad
4	KERALA (6) Expansion Districts	Kasaragode, Mallapuram, Wayanad Thiruvananthapuram, Iddukki, Palakkad,
5	MADHYA PRADESH (34)  Expansion Districts	Betul, Bilaspur, Chhatarpur, Dhar, Guna Mandsaur, Panna, Raigarh, Raisen, Rajgarh, Rajnandgaon, Ratlam, Rewa, Surguja, Satna, Sehore, Shahdol, Sidhi, Tikamgarh,  Mandla, Seoni, Shivpuri, Bhind, Morena, Bastar, Vidisha, Jhabua, Datia, Khargone, Dewas, Shajapur, Raipur, Khandwa, Damoh
6	MAHARASHTRA (9)  Expansion Districts	Auran Gabad, Latur, Nanded, Osmanabad, Parbhani Bid, Dhule, Gadchiroli, Jalna
7	TAMIL NADU (6)  Expansion Districts	Dharmapuri, South Arcot, Thiru- vannamalai Pudhukottai, Ramanathapuram, Perambalur
8	ANDHRA PRADESH (5)	Karimnagar, Kurnool, Nellore, Warangal, Vizianagaram
9	GUJARAT (3)	Banaskantha, Dang, Panchmahal
10	HIMACHAL PRADESH (4)	Chamba, Kullu, Lahaul & Spiti, Sirmour
11	ORISSA (8)  Expansion Districts	Bolangir, Dhenkanal, Kalahandi, Rayagada, Gajapati Baragarh, Sambalpur, Keonjhar

12 UTTAR PRADESH (15)

Maharajganj, Siddharthnagar, Gonda  
Badaun, Kheri, Lalitpur, Pillibhit,  
Basti, Moradabad, Shahjahanpur,  
Sonbhadra, Deoria, Hardoi,  
Bareilly, Firozabad

13 WEST BENGAL (5)

Bankura, Birbhum, Cooch Behar,  
Murshidabad, South Parganas

14 BIHAR

17 revenue districts,  
comprising 27  
educational districts

Muzaffarpur, West Champaran, Ranchi  
Chatra, Sitamarhi, Rohtas, East  
Singhbhum, (Jamshedpur), Vaishali,  
Darbhanga, Gaya, Dumka, West  
Singhbhum (Chaibassa), Purnea,  
Bhojpur, Munger, Bhagalpur, Haz

**RAJASTHAN**

**Name of districts identified for Coverage under DPEP**

Phase-I

**Sl. Name of Districts**

**No.**

- 1 ALWAR
- 2 BHILWARA
- 3 JHALAWAR
- 4 JHUNJHUNU
- 5 KOTA
- 6 NAGOUR
- 7 SIKAR
- 8 SIROHI
- 9 SRI GANGANAGAR
- 10 TONK

Phase-II

**Sl. Name of Districts**

**No.**

- 1 HANUMANGARH
- 2 KARALI
- 3 BHARATPUR
- 4 BUNDI
- 5 CHURU
- 6 DAUSA
- 7 DHOLPUR
- 8 JAIPUR
- 9 SAWAI MADHOPUR

---

**ORISSA**

**Names of the Districts Identified for Coverage under DPEP**

Phase-I

**Sl. Name of Districts**

**No.**

- 1 NAMWARANGPUR
- 2 MALKANGIRI
- 3 NUAPADA
- 4 KORAPUT
- 5 KANDAMAL
- 6 BOUDH
- 7 SONEPUR
- 8 MAYURBHANJ

Phase-II

**Sl. Name of Districts  
No.**

- 1 DEOGARH
- 2 GANJAM
- 3 ANGUL
- 4 JAHSUGUDA
- 5 SUNDERGARH
- 6 NAYAGARH

---

**ANDHRA PRADESH**

**Name of Districts Identified for Coverage under DPEP**

**Sl. Name of Districts  
No.**

- 1 NAZAMABAD
- 2 SRIKAKULAM
- 3 VISAKHAPATNAM
- 4 PRAKASAM
- 5 NALGONDA
- 6 KHAMMAM
- 7 CUDDAPAH
- 8 CHITTOOR
- 9 RANGA REDDY
- 10 MEDAK ANANTHAPUR
- 11 MEDAK
- 12 ADILABAD
- 13 GUNTUR
- 14 MAHABOBNAGAR

---

**WEST BENGAL**

**Name of Districts Identified for Coverage under DPEP**

**Sl. Name of Districts  
No.**

- 1 JALPAIGURI
- 2 MALDAH
- 3 PURULIYA
- 4 NORTH DINAJPUR
- 5 SOUTH DINAJPUR

UTTAR PRADESH

Name of Districts Identified for Coverage under DPEP

Sl. Name of Districts  
No.

- 1 BAHARAICH\*
- 2 RAMPUR\*
- 3 BARABANKI\*

\* Being covered from savings under DPEP-II (IDA credit)

---

Note: The following districts are identified to be covered under DPEP-III (IDA credit)

- 1 AGRA
- 2 AZAMGARH
- 3 BAGESHWAR
- 4 BALIA
- 5 BIJNAUR
- 6 BULANDSHAHAR
- 7 ETAH
- 8 FAIZABAD
- 9 AMBEDKAR NAGAR
- 10 FARRUKHABAD
- 11 KANNAUJ
- 12 FATEHPUR
- 13 GHAZIABAD
- 14 GAUTAM BUDH NAGAR
- 15 GHAZI PUR
- 16 HAMIRPUR
- 17 MAHOBA
- 18 HARDWAR
- 19 JALAUN
- 20 JAUNPUR
- 21 JAHNSI
- 22 KANPUR DEHAT
- 23 MAINPURI
- 24 MATHURA
- 25 MAU
- 26 MEERUT
- 27 BAGHPAT

28 MIRZAPUR  
29 MUZAFFARNAGAR  
30 PADRAUNA  
31 PRATAPGARH  
32 PITHORA GARH  
33 CHAMPAWAT  
34 RAI - BARELI  
35 SULTANPUR  
36 TEHRI GARHWAL  
37 UNNAO  
38 UTTAR KASHI



**LIST OF DISTRICTS UNDER  
LOK JUMBISH (RAJASTHAN)**

<b>S/1 No.</b>	<b>Districts</b>	<b>Nos. of Blocks Covered</b>
1.	AJMER	8
2.	BANSWARA	3
3	BARAN	7
4	BARMER	3
5.	BIKANER	4
6	CHITTORGARH	4
7	DUNGARPUR	5
8	JAISALMER	3
9	JALORE	3
10	JODHPUR	5
1.1	PALI	4
1.2	RAJSAMAND	3
1.3	UDAIPUR	5

---

Total Blocks Covered 57

---

Note: At present 75 blocks of 27 districts are being covered under Lok Jumbish Project. The other 18 blocks under 14 districts, which at present are being covered under LJP, will be handed over to DPEP as and when DPEP is extended to these districts. The names of 14 districts and number of blocks are as under:

NAME OF THE DISTRICTS		Nos. OF BLOCKS
1	ALWAR	1
2	BHARATPUR	1
3	BHILWARA	2
4	BUNDI	1
5	CHURU	1
6	DAUSA	1
7	DHAVLPUR	1
8	JAIPUR	2
9	JHALAWAR	2
10	KOTA	1
11	NAGPUR	2
12	SWAI MADHUPUR	1
13	SIROHI	1
14	TONK	1

-----  
Total Blocks 18  
-----

**LIST OF STATES AND DISTRICTS RECOMMENDED FOR FURTHER  
COVERAGE UNDER SPECIAL DISTRICT EDUCATION PROGRAMME**

**1 ARUNACHAL PRADESH- EAST KEMENG  
EAST KEMENG\***

**2 BIHAR**

- 1 ARARIA\*\*
- 2 AURANGABAD\*\*
- 3 DEGUSARAI\*\*
- 4 DEOGHAR\*\*
- 5 GIRIDIH\*\*
- 6 GODDA\*\*
- 7 GOPAL GANJ\*\*
- 8 GUMLA\*\*
- 9 JEHANABAD\*\*
- 10 KATIHAR\*\*
- 11 KHAGARIA\*\*
- 12 KISHANGANJ\*\*
- 13 LOHAR DAGA\*\*
- 14 MADHEPURA\*\*
- 15 MADHUBAN\*\*
- 16 MAWADA\*\*
- 17 NALANDA\*\*
- 18 PALAMAU\*\*
- 19 POORBI CHAMPARAM\*\*
- 20 SAHIBGANJ\*\*
- 21 SAMASTIPUR\*\*

- 22 SARAN\*\*
- 23 SAHARSA\*\*
- 24 SIWAN\*\*

3 GUJARAT

- 1 KACHCHH\*

4 HIMACHAL PRADESH

- 1 HAMIRPUR\*\*

5 MADHYA PRADESH

- 1 BALAGHAT\*\*
- 2 CHHINDWARA\*\*
- 3 EAST NIMAR\*
- 4 HOSHANGABAD\*\*
- 5 NARSHIMARPUR\*\*
- 6 SAGAR\*\*
- 7 SHADOL\*
- 8 WEST NIMAR\*

6 MAHARASHTRA

- 1 BULDANA\*\*
- 2 LATUR\*\*
- 3 YAVATMAL\*\*

7 ORISSA

- 1 BALESHWAR\*
- 2 CUTTAK\*
- 3 GUNJAM\*
- 4 KORAPUT\*\*
- 5 PHULBANI\*\*

- 8     **SIKKIM**  
1     SOUTH SIKKIM\*\*  
2     WEST SIKKIM\*\*

- 9     **UTTAR PRADESH**  
1     ALLAHABAD\*  
2     AZAMGARH\*  
3     BANDA\*  
4     BARABANKI\*  
5     BIJNOR\*  
6     BULANDSHAHAR\*  
7     FAIZABAD  
8     FATHEPUR\*\*  
9     GORAKHPUR\*  
10    HAMIRPUR\*\*  
11    JALAUN\*\*  
12    JHANSI\*\*  
13    JAUNPUR\*  
14    KANPUR DEHAT\*\*  
15    MAINPURI\*  
16    MATHURA\*  
17    MAU\*\*  
18    MIRZAPUR\*  
19    PARTAPGARH\*\*  
20    RAMPUR\*  
21    RAIBARELI\*\*  
22    SITAPUR\*\*  
23    SULTANPUR\*

24 UNNAO\*\*  
25 VARANASI\*

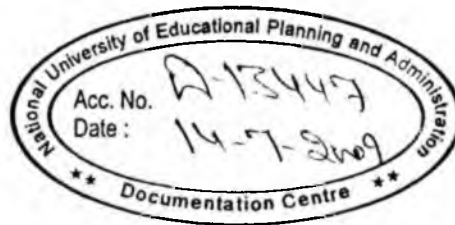
**11 WEST BENGAL**

1 DARJEELING\*\*  
2 WEST DINAJPUR\*\*

\* Female literacy for SC/ST less than 10% (1991)

\*\* Identified as most backward and poorest (Ministry of Rural Areas and Employment)

The Districts covered from amongst these Districts subsequent to the Census of 1991 will be deemed to have been included in this list.



NUEPA DC



D13447