

Status of Financing Right To Education in India



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Foreword

Spending on education is a detrimental factor in realization of Education for All (EFA) goals. The 14th Finance Commission was a big hope as it was supposed to enhance the provision of untied money in the states. Various studies and papers show that spending on education has still remained below 3.8% of GDP.

According to GMR report 2015, India has missed the targets of Education for All (EFA). The inadequacy of school infrastructure, paucity of schools, vacant posts of teachers, teaching learning material and other spending on training and quality have remained far below the desired level.

Present attempt of tracking the spending on education in seven states i.e. Andhra Pradesh, Assam, Himachal Pradesh, Jharkhand, Madhya Pradesh, Rajasthan and West Bengal has shown us dire inadequacy of resources for Elementary Education.

We are thankful to Prof. Anugula N. Reddy for making this research possible through his herculean effort.

We would also like to place on record our sincere thanks to CSEF for providing resources for this study.

We hope to get your critiques, comments and suggestions for sharpening our efforts in future.



Rama Kant Rai
Convener



Ram Pal Singh
General Secretary



Jagdambika Pal
President

Acknowledgement

I thank National Coalition for Education for giving me the opportunity to work on financing of right to education in seven states of India. The implementation of RTE need to be monitored regularly and examining allocation of public resources is one way of monitoring it. Working on this area is a learning experience. The work at times was challenging as data from budget documents are not readily available and one has to go line by line through several voluminous budget documents and reconcile different figures. I have no words to thank Mr. Rama Kant Rai and Ms. Priya Bhakat both of whom are more than generous and bear with my indolent ways and nudged me time and again to complete the work. Many people particularly from several state governments have helped me in collecting data and I thank them all.

Anugula N. Reddy

ACRONYMS

AP	Andhra Pradesh
ASER	Annual Status of Education Report
BE	Budgeted Expenditure
BRC	Block Resource Centre
CRC	Cluster Resource Centre
DISE	District Information System for Education
DPEP	District Primary Education Programme
EFA	Education for All
FC	Finance Commission
GAR	Gross Attendance Ratio
GDP	Gross Domestic Product
GER	Gross Enrolment Ratio
GNP	Gross National Product
GSDP	Gross State Domestic Product
HP	Himachal Pradesh
MHRD	Ministry of Human Resource Development
MOSPI	Ministry of Statistics, Programme Implementation
MP	Madhya Pradesh
NAR	Net Attendance Ratio
NCERT	National Council of Educational Research and Training
NER	Net Enrolment Ratio
NGO	Non-Governmental Organization
NPE 1986	National Policy on Education 1986
NSSO	National Sample Survey Organization
NUEPA	National University of Educational Planning and Administration
OBB	Operation Black Board
RE	Revised Expenditure
RTE 2009	Right to Education Act 2009
SES	Selected Educational Statistics
SMC	School Management Committee
SSA	Sarva Shiksha Abhiyan
SSE	Statistics on School Education
UNESCO	United Nations Educational, Scientific and Cultural Organization
WB	West Bengal

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Executive Summary

It is increasingly realized that the allocation of adequate public resources is quintessential for proper implementation of right to education. The Incheon Declaration and Framework for Action (2015) for implementation of Sustainable Development Goal (SDG) 4 on education ‘reaffirm that education is a public good, a fundamental human right and a basis for guaranteeing the realization of other rights’ and declares that ‘of which state is the duty bearer’(pp. 7 and 26) . It further adds that ‘SDG 4 cannot be realized without a significant and well targeted increase in financing’ and ‘determined to increase public spending on education in accordance with country context’ (p.9).

It has been 8 years that the Right to Education 2009 (RTE 2009) has been enacted in India. An assessment of achievements and gaps in implementation of RTE 2009 gives mixed results. On the one hand there was a huge increase in enrolment and enrolment ratios have been nearly or more than 100 per cent but the number of out-of-school children continues to be large. Many studies document visible improvement in infrastructure facilities in elementary schools but schools that do not confirm to the norms of RTE 2009 is also high. The allocation of public resources to elementary education has increased significantly but falls much short of requirements and avowed policies and promises made by governments over the years.

The present study examines trends in public expenditure on elementary which is covered under RTE education during 2004-05 to 2017-18(BE)¹ in seven states namely Andhra Pradesh², Assam, Himachal Pradesh, Jharkhand, Madhya Pradesh, Rajasthan, and West Bengal. The expenditure on Sarva Shiksha Abhiyan (SSA) is also examined by central and the seven state governments. The findings of the study and recommendations are given below.

- The allocation of public resources to elementary education since 2004-05 in current prices increased manifold in all states. The growth is however moderate in constant (2011-12) prices. There is no appreciable acceleration in the growth of public expenditure on education and elementary education after enactment of RTE 2009 and also from implementation of 14th Finance Commission recommendations. This indicates that the enactment of RTE 2009 has had very limited impact on allocation of resources to elementary education. Further the fiscal space provided by increased devolution of resources as part of 14th Finance Commission has not been channeled into education sector in any significant way.
- The priority accorded to elementary education in allocation of resources as per cent of GSDP is very low and remained stagnant with few exceptions during 2004-05 to 2017-18 BE. It was less than one per cent in Andhra Pradesh and West Bengal; it was around 1.5 per cent in Rajasthan, Madhya Pradesh and Jharkhand; and it was a little above 2 per cent in Assam and Himachal Pradesh.

¹During this period RTE 2009 was enacted and also recommendations of 14th Finance Commission devolving a significantly increased share of divisible pool of resources. were implemented from 2015-16 onwards.

²The state of Andhra Pradesh was bifurcated into Telangana and Andhra Pradesh in June 2014. Data till 2014-15 refers to united Andhra Pradesh and from 2015-16 onwards to residual Andhra Pradesh.

- The budget allocated as per cent of total state budget to education and elementary education is very low. Low priority and near stagnation seems to be the pattern across all states. Andhra Pradesh and West Bengal accord lowest priority to elementary education. The proportion of total budget allocated to elementary education is between 6-7 per cent. Assam, Himachal Pradesh, Madhya Pradesh and Jharkhand allocate around 10 per cent of total state budget to elementary education. In other states it is more than 10 per cent.
- The priority accorded to elementary education in intra-sectoral allocation is much below than 50 per cent in Andhra Pradesh, Assam and West Bengal. In Himachal Pradesh and Rajasthan it is a little above 50 per cent. In Jharkhand and to a lesser extent in Madhya Pradesh it is violently fluctuating below and above 50 per cent indicating priority accorded to elementary education is not consistent and unpredictable over the years.
- The central government budget expenditure on SSA has increased soon after the adoption of RTE 2009 but the momentum was not maintained subsequently. The central government budget expenditure on SSA has either declined or increased only by small increments from 2013-14 onwards. In constant (2011-12) prices the declining trend is unmistakable. Release of central funds to seven states under SSA has been declining particularly since 2013-14 onwards.
- The expenditure on SSA by different components reveals that the salary of teachers still accounts for a significant share. It accounts for more than 50 per cent in Himachal Pradesh, Assam, Jharkhand, Andhra Pradesh, West Bengal and Rajasthan in 2015-16. In Madhya Pradesh it accounts for 43 per cent and in Rajasthan for nearly 90 per cent. The share of civil works has decline over the years and now accounts for less than 10 per cent in Rajasthan, Himachal Pradesh, Madhya Pradesh, Andhra Pradesh and between 10-20 per cent in Assam and Jharkhand in 2015-16.
- On other hand the share of quality components was small and further declining. In 2015-16, it was less than 2 per cent in Rajasthan, Madhya Pradesh, Andhra Pradesh, Jharkhand and Assam; less than 5 per cent in Himachal Pradesh and 8 per cent in West Bengal. The share of components that enhance equity is very small (less than 10 or even 5 per cent) in many states. In a couple states the share of equity components is nearly or more than 20 per cent. These patterns directly goes against the commitments made by nations including India in Incheon declaration to 'prioritize those most in need' in allocation of public resources (p. 67).
- The share of governance related components also is very small and further declining over the years. It is less than 10 per cent in all states of the study except Madhya Pradesh and Himachal Pradesh in 2015-16. Incheon declaration urges the nations to improve efficiency and accountability of finances by improving governance. It may not be out of context to recall that one of the reasons behind better performance of Himachal Pradesh in achieving universal elementary education may be comparatively higher expenditure on governance related components.
- It may be noted that the share of equity, quality and governance related components is very low in those where salary of teachers is high. The expenditure on salaries of teachers

is crowding out the expenditure on other items. However at the same it may be noted there exists large number teacher vacancies and large number of schools that do not meet RTE 2009 norms on availability of teachers. This implies overall expenditure on SSA and elementary education is low and consequently expenditure by different components is distorted.

Recommendations

The findings point to the inadequacy of allocation of public resources to implement RTE 2009 in seven states under study. The promulgation of the Act and increasing fiscal space available to states has not made much difference. Further the priority accorded to elementary education both as per cent of GSDP, budget and education budget far below than the policy recommendations and either declining or stagnant over the years. From these findings and drawing from Incheon declaration to which India is signatory the following recommendations were made.

- The allocation of public resources to implement RTE 2009 to universalize elementary education need to be increased to meet the requirements. This implies that mere keeping pace with past growth rate and/or inflation is not suffice. The growth rate of public expenditure on elementary education needs to be substantially accelerated. The states can make good use of fiscal space provided by increasing devolution of resources by 14th Finance Commission for this purpose.
- The states need to increase the allocation on education and elementary education to constitute 6 per cent and 3 per cent of GSDP respectively. Incorporating allocation of 6 per cent of GDP/GSDP in legislation with a definite time line may be best way forward to ward off further delays. Such a provision is already in place in few countries (The Law Library of Congress, 2016).
- The allocation to education need to be raised to at least 20 per cent of state budgets. In the interim, at least 25 per cent of state budget may be allocated to education to meet cumulative gaps in the provision of education and infrastructure facilities and comply with the provision of RTE 2009. The centre needs to augment fiscal capacity of states that are already spending more than 20 per cent of their state budget on education with education specific assistance.
- Allocations to SSA need to be increased. As entire proceeds from education cess go to Centre, the funding ratio between centre and states may be reverted back to 75:25 so as to increase allocation to SSA. At the same time care should be taken that increased allocation by centre not to substitute state allocations to education.
- A large proportion of expenditure on SSA is on salaries of teachers. The low level of expenditure and misplaced priorities by states led to distortions in expenditure by components. While increasing allocations to SSA, the components related to quality, equity and governance need to be prioritized.

In the end it may be noted one need to recognize that allocation of adequate resources to education is paramount in the interest of nation and people and State is the duty bearer.

Prologue

During the last more than two and half decades the universalisation of elementary/basic education received heightened attention from policy makers, researchers and advocacy groups. Starting from Jomtien declaration on Education for All (EFA) in 1990, through Dakar framework and MDGs in 2000 to SDGs in 2015, the universal elementary education received rightful heightened attention from a variety of stakeholders including multi and bilateral organizations, nation governments, civil society and advocacy groups. The evidence on wide ranging benefits from universal elementary education for individual well being and empowerment, for economic growth, for functioning of democratic institutions is mounting. The latest Sustainable Development Goals (SDG) 4 on Education reconfirms and expands the commitments made in earlier declarations. The education SDG promises to ensure by 2030, all children complete free, equitable and quality primary and secondary education. Continuing and drawing on the traditions of Jomtien and Dakar declarations and taking stock of progress made towards achievement of EFA goals and education related MDGs, the Incheon Declaration and Framework for Action further commits to provide ‘12 years of free, publicly funded equitable quality primary and secondary education, of which at least nine years are compulsory’ (UNESCO, 2015).

In India, the importance of universal elementary education was recognized rather much earlier. The Constitution of India promises to provide free and compulsory education for all children till the age of 14 years within ten years of its commencement. Notwithstanding many efforts to realize the promise, it remained elusive. Not only a large number of children were out-of-school but those who are enrolled soon joined the ranks of dropouts. Acknowledging very limited progress, the government has renewed its efforts with the adoption of National Policy on Education (NPE, 1986) and initiation of Operation Blackboard (OBB) scheme during mid 1980s. The efforts were continued and further strengthened with adoption of Jomtien declaration in 1990. During mid 1990s District Primary Education Programme (DPEP) was launched with the aim of enrolling and retaining all children till completion of primary education. During early 2000s these were further strengthened by launching *Serva Shiksha Abhiyan* (SSA) expanding coverage to entire elementary education across the country.

Simultaneously, drawing on Jomtien declaration and Dakar framework, civil society organizations, Non-Government Organizations (NGOs) began to advocate for increased priority for universal elementary education and Education for All particularly since 1990s. The Unnikrishnan judgment declaring right to life encompasses right to education gave a fillip and rationale to civil society groups to intensify their advocacy to make education a fundamental right. Following the judgement many civil society organisations, NGOs, individuals formed an alliance to organize movements to make education a fundamental right. The movement to make right to education gained momentum during late 1990s and early 2000s. Owing to popular demand, the constitution was amended to make education a fundamental right 2002. The Act stipulating the modalities to implement right to education was enacted in 2009.

The sustained efforts to achieve universalisation of elementary education during the last two and half decades appear to have had positive impact. Increase in access and participation rates of children and continuation through the schooling is now more visible across different states. The Gross Enrolment Ratio (GER) at elementary education has shown significant improvement across different social groups in the recent period. The latest PROBE repeat survey (De et al, 2011) and repeat surveys

in Madhya Pradesh (NUEPA, 2010); in West Bengal (Pratichi Trust, 2009) and a pan Indian survey (Muralidharan et al, 2012) by researchers confirm significant increase in participation and continuation rates in elementary education. Muralidharan et al, (2012) also record visible improvements in physical infrastructure of elementary schools during this period. Drawing on some of these surveys, Nobel laureate Prof. Amartya Sen notes that ‘not only a higher rate of student enrolment, but significantly large average attendance by enrolled students’ (Sen, 2010, p. 315). Notwithstanding the progress, data and also these surveys also point out several shortcomings and persistent gaps. Though the participation levels of children has gone up but dropout levels remained high and number of out-of-school children continues to be large particularly at upper primary stage. One can also notice wide disparities between various social groups. Further, the penultimate aim of elementary schooling i.e. learning levels of children continues to be appallingly low. The achievement surveys carried out by NCERT, ASER and researchers confirm this. The absenteeism among both the teachers and students though declined but still rampant. The public resource base to provide universal elementary education as a fundamental right continues to be inadequate.

The constitutional amendment making education a right is expected to bring fundamental shift in public policies and programmes relating to provision of elementary education. It shifts free and compulsory education from welfare provision as part of directive principles that is subject to vagaries of fiscal capacity of government to a fundamental and justiciable right that is beyond the fiscal considerations of government. It confers entitlements on children of 6-14 years to be met by the Government.

The allocation of adequate public resources assumes critical importance in realizing the Right to Education. Whether the enactment of Right to Education Act stimulated additional investment of resources across different states? How the allocation of public resources compares with policy prescriptions and norms evolved over years. This paper is an attempt to examine the allocation of public resources to realize Right to Education in selected states. For this purpose seven states viz., Andhra Pradesh (united), Assam, Himachal Pradesh, Jharkhand, Madhya Pradesh and West Bengal covering all regions of the country are selected.

The report is organized as follows. The next section (II) describes the methodology of selection of states. The section III provides brief overview of progress of elementary education using data from SES/DISE, NSSO and Census. Section IV discusses financing right to education and policy prescriptions. The section V elaborates trends in allocation of resources to elementary education. It examines the priority accorded to elementary education in terms of GSDP, State budget and intra-sectoral allocation, plan and non-plan allocation of resources to elementary education. Section VI brings out important findings and makes a few concluding remarks.

II Selection of states and data sources

Selection of states

Seven states were selected for the study. The states were selected on the basis of a composite indicator of GER, participation rates of children (5-14) in education according to Census 2011 and percent share of GSDP allocated to education. All states were ranked separately on each indicator and ranks were aggregated. States were selected from top, middle and low values of the indicator. Further care is also taken to ensure regional representation of different parts of the country. Further at least one special

category state from north east and one from hilly areas is also included. This selection process resulted in selecting the following seven states: Andhra Pradesh (united), Assam, Himachal Pradesh, Jharkhand, Madhya Pradesh, Rajasthan and West Bengal. Of these Assam and Himachal Pradesh are special category states from North-East and hilly areas respectively. Madhya Pradesh, Rajasthan and Jharkhand are educationally backward states located in North and forms part of acronym BIMARU. West Bengal is eastern state. Andhra Pradesh located in South and considered developed state.

Data sources

The data on public expenditure on education till 2011-12 is collected from analysis of budgeted expenditure on education published by MHRD. Data on public expenditure on education for subsequent years was culled from and also from state government budgets. Data on GSDP is collected from MOSPI. Data on enrolment ratios and other information is collected from District Information System for Education (DISE), National Sample Survey Organisation (NSSO), and Census.

III Elementary Education in Seven States: Status and Challenges

Enrolment in elementary education has increased manifold across several states. Notwithstanding monumental increase in enrolment, not all children in the age group of 6-14 years are in school. Enrolling all children still continues to be a challenging task. The Gross Enrolment Ratio (GER) at primary level is reported to be over 100 per cent at primary level but at upper primary it is not only lower than 100 per cent but also varies widely across states. For example, GER is reported to be nearly or over 100 per cent since early 2000s at national level and also nearly all states. The residual Andhra Pradesh however seems to be somewhat exception (Table 1). At upper primary stage GER is much lower than 100 per cent. Further progress seems to be taking place at slow pace. Many states particularly residual Andhra Pradesh, Assam, Madhya Pradesh and Rajasthan are lagging behind in universalizing upper primary education.

The trends in Net Enrolment Ratio (NER) also point to very limited achievements in terms of enrolling all children of relevant age in elementary education. NER at elementary level of education is found to be below 90 per cent in 2015-16 barring Assam and West Bengal (Table 1). Surprisingly even in Himachal Pradesh that was acclaimed as 'exception' to general patterns that can be found in North India (Dreze, 1999; Reddy, 2012), NER is found to be less than 90 per cent. The data on GER and NER at elementary stage unambiguously confirm that universal elementary education even in terms of enrolling all children is still unfinished business.

These patterns further corroborated by data from other sources like NSSO and Census. According to latest NSS 71st round, the Net Attendance Ratio (NAR) at elementary level is either less than or barely a notch above 90 per cent in all the seven states in 2014 (Table 3.2). Though, the Gross Attendance Ratio (GAR) is more than or nearly 100 per cent in all states in 2014.

It is astonishing to find very low level of NAR at primary and upper primary levels in these seven states even now. NAR is ranging between 81 to 85 per cent in Jharkhand, Madhya Pradesh, Rajasthan and West Bengal. In Andhra Pradesh, Assam and Himachal Pradesh it is ranging between 87 to 90 per cent. In all these states, however, GAR is more than 100 per cent. At upper primary stage NAR is ranging between 56-57 per cent in two states viz., Jharkhand and Rajasthan, and between 71-73 per cent in three states viz., Andhra Pradesh, Assam and West Bengal. In Madhya Pradesh it is 68 per cent and in Himachal Pradesh it is 80 per cent.

Table: 1 Gross and Net Enrolment Ratio in Seven States

State	Primary				Upper Primary				Elementary	
	2005-06	2010-11	2014-15	2015-16	2005-06	2010-11	2014-15	2015-16	2014-15	2015-16
Gross Enrolment Ratio (GER)										
AP*	96.8	107.0	88.2	84.5	74.3	83.9	79.5	81.3	84.88	83.29
Assam	96.7	136.1	115.0	106.1	37.7	90.0	95.9	93.1	108.3	101.6
HP	110.5	111.3	99.4	98.8	109.3	115.9	103.1	104.4	100.8	100.9
Jharkhand	123.6	155.8	108.4	109.2	37.2	84.4	100.0	102.7	105.6	107.1
MP	129.8	136.7	101.1	94.5	71.3	102.1	96.6	94.0	99.5	94.3
Rajasthan	112.7	116.1	98.6	100.4	63.6	76.9	85.8	91.3	94.1	97.2
WB	104.5	136.9	102.3	103.9	66.2	92.4	103.2	105.0	102.6	104.2
India	103.8	118.6	100.1	99.2	59.2	81.2	91.2	92.8	96.9	96.9
Net Enrolment Ratio (NER)										
AP*	..	..	72.2	72.1	..	..	58.2	63.4	74.9	76.2
Assam	..	..	-	99.6	..	..	80.2	77.8	-	95.7
HP	..	..	82.9	82.1	..	..	79.4	80.5	89.4	89.6
Jharkhand	..	..	96.0	97.2	..	..	86.1	89.1	99.7	-
MP	..	..	85.3	79.8	..	..	73.5	72.3	88.5	84.0
Rajasthan	..	..	77.8	79.2	..	..	63.1	67.2	81.1	83.4
WB	..	..	91.0	94.0	..	..	77.5	81.3	94.3	96.9
India	..	..	87.4	87.3	..	..	72.5	74.3	88.5	88.9

Source: DISE

Note: .. Not available

- not reported

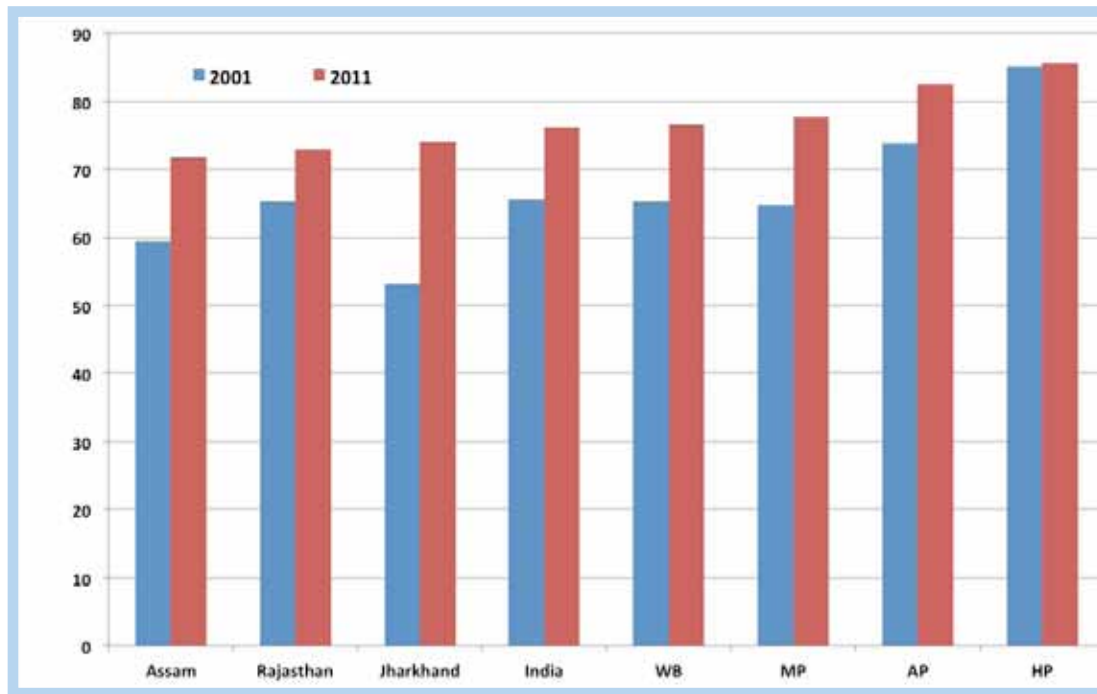
* Data refers to residual Andhra Pradesh from 2014-15 onwards

Table 2 Participation in Education, 2014

State	Gross Attendance Ratio			Net Attendance Ratio		
	Primary	upper primary	elementary	primary	upper Primary	elementary
AP	105	92	100	89	71	91
Assam	103	116	107	87	72	93
HP	105	99	103	90	80	92
Jharkhand	105	90	99	81	56	86
MP	102	97	100	84	68	87
Rajasthan	102	90	98	81	57	85
WB	100	106	102	85	73	90
India	101	90	97	83	63	87

Source: NSSO (2016)

Figure 1: Participation in Education of Children Age 5-14 in 2001 and 2011



Source: Census 2001 and 2011

Census 2011 also reconfirms limited progress towards enrolment of all children in schools. The participation rates in education of children age 5-14 years is less than 80 per cent except Andhra Pradesh and Himachal Pradesh in 2011. Even in Andhra Pradesh and Himachal Pradesh, the participation rate is barely above 83 and 86 per cent respectively (Figure 1). This leaves a large number of children out-of-school. According to Census 2011 the number of out-of-school children is 6.19 crore children at national level and 1.93 crore children in the seven states under study. The out-of-school children of these seven states put together constitute 31.2 per cent of total out-of-school children in the country in 2011. Not only there are just a last mile but a few last miles to cross before we achieve universal participation in elementary education across these states.

From foregoing discussion it is clear that notwithstanding commendable progress made during the last couple of decades a significant number of children continue to be out-of-school. States like Andhra Pradesh, Assam, Rajasthan, and Jharkhand are yet to go a long way in enrolling all children in to schools.

IV Financing Right to Education India

Financing of education has been contentious issue. Who should finance education? What is the rational for allocation of public resources to education are frequently discussed. As alluded earlier the benefits of education particularly school and compulsory levels of education are immense and go beyond individuals who receive them. Education particularly school education is found to contribute to economic growth, to functioning of democratic institutions, to reduction of fertility, to reduce poverty, to health, etc. The contribution of education particularly school education towards inculcating civic sense among population, cultivating good habits, discouraging habits is well recognised. Recognising the wide ranging benefits of education particularly school education it is categorised as 'public good' wherein the role of state in financing is paramount. Further the elementary education is now a right,

children have entitlements and state has a duty to meet them. Kothari commission also recognised public good nature of schooling and recommends allocation of public resources to education to the tune of 6 percent GDP. The committees and commission constituted ever since Kothari commission reiterated the need to allocate public resources to education to the tune of 6 per cent GDP. Major political parties have also pledged to allocate public resources to education to the tune of 6 per cent of GDP. Though there were estimates and demands to increase allocation to education to go beyond 6 per cent of GDP particularly to meet huge backlog in view of inadequate allocation of public resources during the last so many decades, it is prudent to stick to 6 per cent GDP. In the context of allocating six per cent of GDP to different levels of education, there seems to be emerging some kind consensus to allocation 3 per cent to elementary education, 1.5 per cent to secondary education and remaining 1.5 to higher and technical education (GoI, 2005b). Further as elementary education is now a right, it has to be provided with all provisions as mandated in RTE Act 2009. This implies that allocation of public resources to elementary education has to meet the requirements of making schools RTE compliant and also meeting any backlog thereof.

V Budget Expenditure on Education

As discussed in previous sections one of the critical elements that shape the provision of universal elementary education as a right is the allocation of resources. This section discusses trends in allocation of resources to elementary education in seven study states.

Growth of public expenditure on elementary education

Public expenditure on education in nominal prices has increased by several times but unevenly in seven states. Public expenditure on elementary education in nominal prices has increased by more than 7 times in Jharkhand and West Bengal, by more than 5 times in Assam and Madhya Pradesh and by more than 4 times in AP and Rajasthan between 2004-05 and 2017-18. However the growth of public expenditure on elementary education after accounting for inflation turns out to be very moderate. For example, public expenditure on elementary education in constant (2011-12) prices increased by less than 2 times in Andhra Pradesh, Assam and Rajasthan (Table 3). In Himachal Pradesh (till 2014-15), Madhya Pradesh, and West Bengal (till 2013-14) it has grown by slightly more than two times and in Jharkhand by nearly 3 times. From this it is clear that a lot of growth in public expenditure on education is illusory and accounted by inflation. In real prices the growth of public expenditure is moderate.

A comparison of growth rate of public expenditure on elementary education before and after enactment of RTE in 2009 reveals no significant acceleration. Rather it decelerated in many states. For example in Himachal Pradesh, Jharkhand, Madhya Pradesh, Rajasthan and West Bengal the growth rate has actually decelerated (Table 1). From the foregoing discussion it is clear that the public expenditure on elementary education though increasing over the years but moderately particularly in constant prices. Further the enactment of RTE in 2009 seems to not have spurred states to invest more in elementary education. In fact in many states growth rate has decelerated even after enactment of RTE.

³ See for instance the Manifesto of BJP for 2014 elections which promises 'public spending on education would be raised to 6% of the GDP' (p. 23) (downloaded from www.bjp.org/manifesto2014 on December 20, 2016); The Common Minimum Programme of 2004 of United Front led by Congress 'pledges to raise public spending in education to least 6% of GDP with at least half this amount being spent of primary and secondary sectors' (p. 6) (downloaded from architexturez.net/system/files/pdf/cmp_0.pdf on December 20, 2016). Subsequently however INC skirted reference to allocation of public resources to education as per cent of GDP in its manifesto for 2009 and 2014 elections.

⁴ State income deflators were used to convert public expenditure from current prices to constant prices. 2004-05 series was spliced into 2011-12 series. Growth rates are estimated by fitting semi-logarithmic equation.

Table 3: Public Expenditure on Elementary Education in Seven States (Rs in Crores)

State	AP	Assam	HP	Jharkhand	MP	Rajasthan	WB
Current Prices							
2004-05	2145	1429	555	911	1700	2223	1836
2005-06	2360	1420	619	1080	1935	2751	2105
2006-07	2655	1451	787	773	2452	2861	2192
2007-08	3391	1496	886	1659	2326	3197	2593
2008-09	3113	2029	1014	1593	3166	4430	2674
2009-10	3253	2284	1126	2013	3810	5307	3802
2010-11	4880	3114	1503	2684	4149	5921	4844
2011-12	6579	3226	1535	2964	4549	6813	6702
2012-13	6457	4365	1798	2302	4509	7557	7150
2013-14	7728	4372	2087	1918	6462	8464	6993
2014-15	7670	5415	2163	2381	7393	11518	7976
2015-16	7355	5252	2021	4477	7169	10517	8077
2016-17 RE	9312	7724	2784	6009	8866	14214	9210
2017-18 BE	9245	6903	2961	6792	9194	10971	12897
Growth rates							
2004-5 to 2009-10	9.44	10.34	15.81	18.35	16.88	18.33	13.80
2010-11 to 2017-18 BE	8.16	13.59	10.14	15.69	13.22	11.70	11.23
Constant Prices (2011-12) Prices							
2004-05	3490	2342	860	1321	2683	3988	1836
2005-06	3693	2164	924	1488	2922	4730	2028
2006-07	3927	2123	1148	992	3477	4567	2003
2007-08	4636	2089	1250	2046	3091	4711	2231
2008-09	3889	2626	1258	1846	3874	6007	2113
2009-10	3802	2721	1301	2241	4428	6671	2783
2010-11	5201	3390	1583	2737	4429	6690	3245
2011-12	6579	3226	1535	2964	4549	6813	4103
2012-13	5942	4100	1680	2151	4160	6960	4122
2013-14	6708	3801	1825	1687	5376	7431	3680
2014-15	6401	4557	1845	2045	5890	9635	..
2015-16	6017	4207	..	3870	5464	..	..
Growth rates							
2004-5 to 2009-10	2.16	3.82	9.20	12.16	9.68	9.95	6.83
2010-11 to 2015-16	6.84	6.00	4.91	1.08	6.13	8.51	3.89

Note: Data on GSDP 2004-05 series is spliced into 2011-12 series.

Growth rates are calculated by fitting semi-logarithmic equation

Source: MHRD (Various years). Analysis of Budgeted Expenditure on Education, MHRD New Delhi
MOSPI website for GSDP; Department of Finance of State Governments.

Priority to Education in Allocation of Resources

One moot question is whether enactment of RTE 2009 enabled according higher priority to education in general and elementary education in particular. Are the state governments, that are responsible as per RTE act to provide finance for implementation of RTE 2009, giving adequate priority to universal elementary education in allocation of public resources? This question assumes critical importance as we enter what is called cooperative federalism and devolution of increasing share of central taxes to states. Whether states increasing priority to education with availability of more fiscal space? In fact centre is urging state governments to enhance allocations to education taking advantage of fiscal space provided by 14th Finance Commission . The priority accorded to elementary education in allocation of public resources would shed light on these questions.

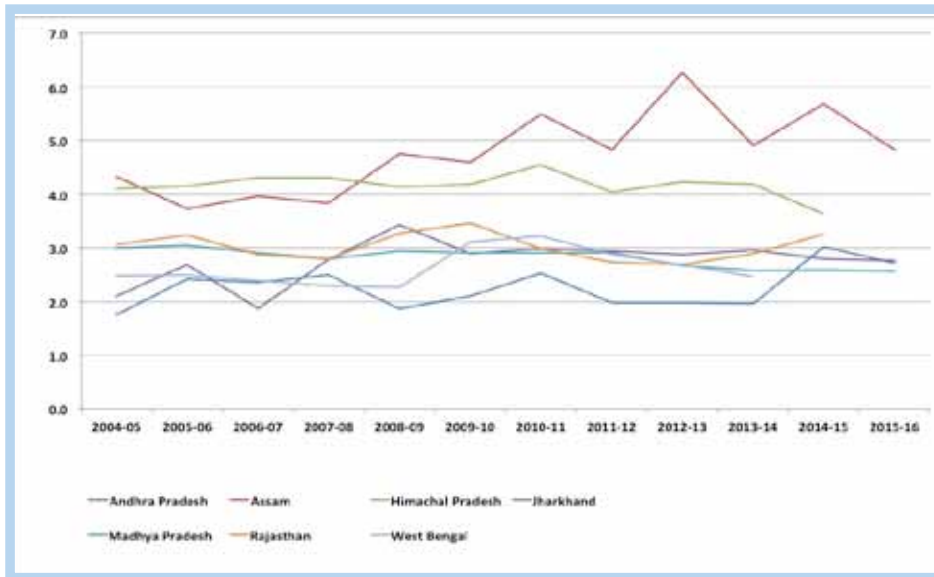
The priority accorded to education is usually assessed by the proportion of GDP/GNP and budget allocated to education. India committed to allocate public resources to education to the tune of 6 per cent of GDP following recommendation by Kothari Commission. Since then the policy pronouncements made have not missed making a reference to the proportion of GNP to be allocated to education. Nearly half-a-century has lapsed but the governments are still grappling to raise the allocation of public resources to 6 per cent of GDP. Ironically many a times one may witness dwindling in the priority accorded to education. Another issue to grapple is distribution of 6 per cent by different levels of education. Keeping in view the unfinished business of universal elementary education and taking into account of needs of secondary and higher and technical education, it is generally suggested that 3 per cent of GDP may be allocated to elementary education and 1.5 per cent to secondary education and the remaining 1.5 per cent to higher and technical education (GOI, 1999; GOI, 2005; Reddy, 2008).

The proportion of budget allocated to education more aptly indicates the priority given to education in making public policies as the government has much say and discretionary power over resources. It is widely shared that 20 percent of budget may be allocated to education to meet the requirements of the sector (Vandemoortele & Mehtrotra, 1997; GCE, 2013).

Budget expenditure on education as percent of GSDP

The allocation of public resources to education as per cent of GSDP is much lower than 6 per cent and also varies widely across different states. At one extreme are the states like Assam and Himachal Pradesh that spend more than 4 per cent of GSDP on education. At the other extreme is state like Andhra Pradesh which spend very low per cent-lower than two per cent in many instances. Between these two extremes are the states like Rajasthan, Madhya Pradesh, and Jharkhand that largely spend less than 3 per cent.

The priority accorded to education in allocation of public resources is high and relatively more consistent in Himachal Pradesh. In Himachal Pradesh the allocation of public resources to education as per cent of GSDP has been consistently more than 4 per cent since 2004-05 (Figure 2). It may be recalled that the proportion of allocation of public resources to education in Himachal Pradesh used to be over 6 per cent during early 1990s and over 7 per cent during late 1990s (Reddy, 2012).

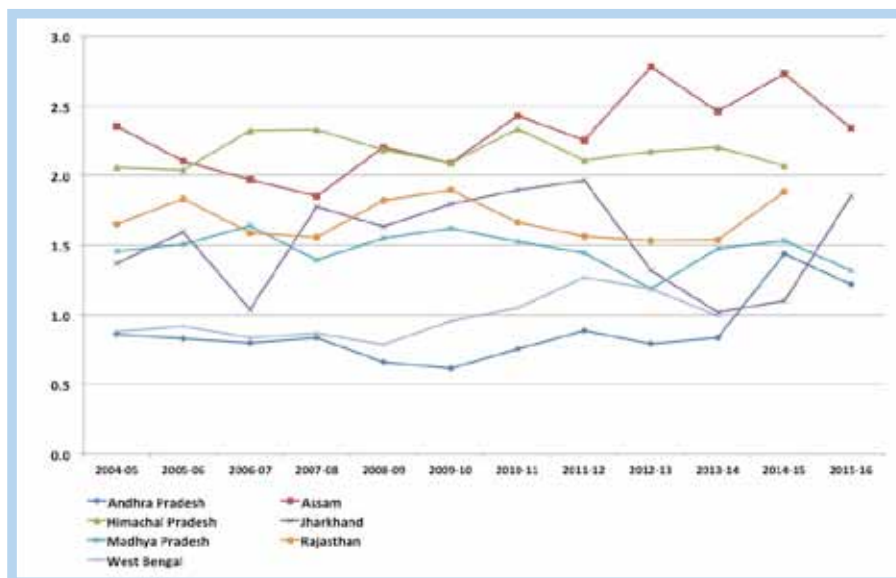
Figure 2: Public expenditure on education as percent of GSDP

Assam is another state where allocation of public resources to education constitute high share of GSDP. The allocation of public resources to education as per cent of GSDP is over 4 per cent and occasionally even beyond 5 per cent. It may however be noted that the higher share of budget expenditure on education in GSDP might be on account of lower base i.e. low size of GSDP.

In Jharkhand, Madhya Pradesh and Rajasthan the priority accorded to education is low and no visible increase can be discerned. As Figure 2 indicates the public expenditure on education as per cent of GSDP is converging to less than 3 per cent over the years in these states.

Public expenditure on elementary education as percent of GSDP

As discussed earlier there is emerging some kind of consensus that at least 3 per cent of GSDP need to be allocated to ensure adequate resources to provide universal elementary education with reasonable infrastructure and quality (GoI 2005b; CABE 2005; Reddy, 2012).

Figure 3: Public expenditure on elementary education as percent of GSDP

The public expenditure on elementary education as per cent of GSDP is low in all states and also varies widely across states. The public expenditure on elementary education as per cent of GSDP is more than 2 per cent in Himachal Pradesh and Assam on the one hand and as low as below 1 per cent in Andhra Pradesh and West Bengal. In many states the proportion of public expenditure on elementary education has been declining or stagnating at low levels.

The public expenditure on elementary education in Himachal Pradesh used to be nearly 3 per cent occasionally even used surpass 3 per cent during 1990s and 2000s. Thus, it is claimed, provided enabling environment to achieve universal elementary education (Reddy 2012; .DE, A, et al 2011). Assam on the other hand reveals another dimension. The public expenditure on elementary education as per cent of GSDP is around 2.5 percent during 2010-11 to 2015-16. This comparatively high share of GSDP on elementary education may be on account of low base of economy. This implies that Assam is already stretching its limits in allocating more resources to education in general and elementary education in particular. Centre needs to step up its assistance to Assam to achieve universal elementary education.

In Jharkhand, Madhya Pradesh and Rajasthan, the public expenditure on elementary education as per cent of GSDP is around 1.5 per cent with occasional dip to nearly 1 per cent. This makes amply clear that these states are not allocating adequate resources to elementary education. The resource allocation to education and elementary education is not keeping in pace with the growth of GSDP.

Andhra Pradesh and West Bengal on other hand presents a complete different picture. In Andhra Pradesh the percentage of GSDP allocated to elementary education is less than 1 per cent except 2014-15 and 2015-16. In fact in Andhra Pradesh it had declined from 0.95 per cent in 2004-05 to as low as 0.61 per cent 2009-10 and subsequently increased to 0.83 per cent in 2013-14 and further to 1.22 per cent in 2015-16. Similarly in West Bengal it has declined from 0.88 per cent in 2004-05 to 0.78 per cent in 2008-09 but subsequently increased to more than 1 per cent during 2010-11 to 2012-13 but fell again. From this it is clear that both Andhra Pradesh and West Bengal are massively under investing in education particularly elementary education. It is no surprise that Andhra Pradesh notwithstanding the tag progressive state continues to be home for large number of out-of-school children. In West Bengal, inadequate allocation of resources to elementary education might be one of the reasons for underdevelopment of upper primary education.

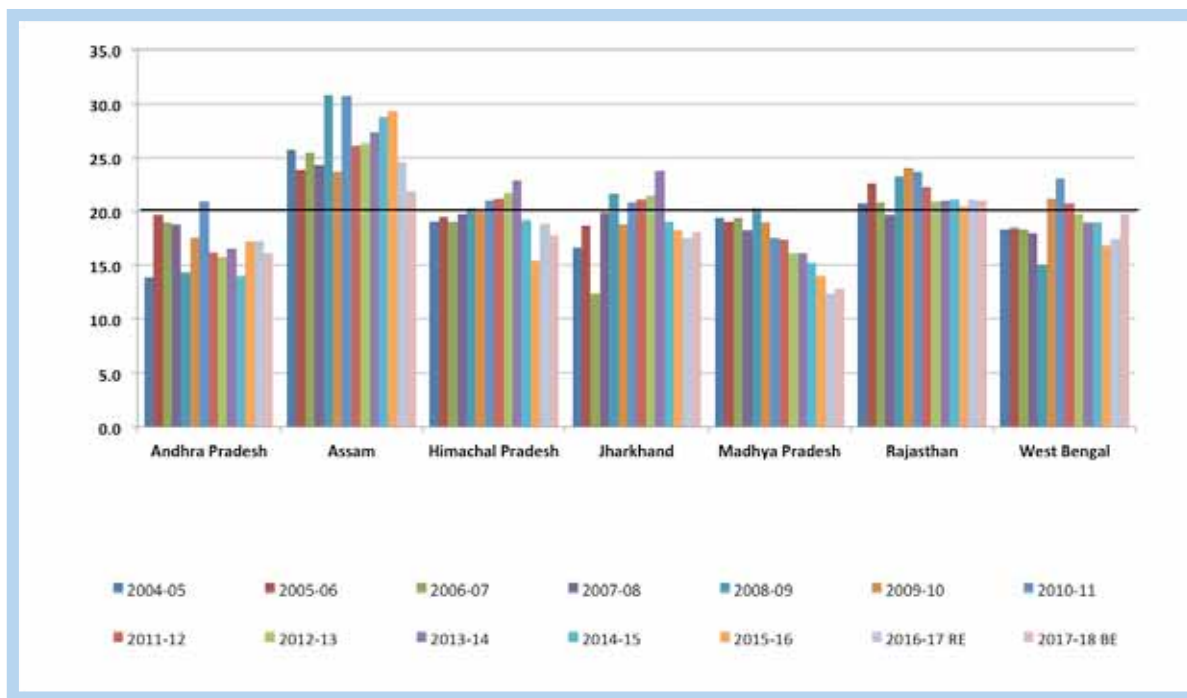
From the trends above it is clear that state governments are not allocating adequate public resources to elementary education. Andhra Pradesh and West Bengal are classic examples of massive under investment in elementary education. These states have the capacity to allocate more public resources to elementary education. Even then adequate allocations of public resources to elementary are not being made. Jharkhand, Rajasthan and Madhya Pradesh are also under investing in elementary education. This has had adverse impact on the growth and achievements of universal elementary education. As noted earlier notwithstanding official claims of near universal enrolment and very miniscule share of out-of-school children, alternates sources of data like NSSO portray a different picture. According to NSSO (2016), though Gross Attendance Ratio (GAR) at upper primary stage is more than 90 but Net Attendance Ratio (NAR) remains less than 75 per cent in 2014. This indicates that many children are unlikely to attend age-appropriate grades. Only in Himachal Pradesh, NAR is found to be 80 per cent. Himachal Pradesh allocates much higher proportion of GSDP on elementary education compared to

other states but still falls short of requirements. The state needs to increase allocations and priorities need to be shifted towards elementary that enhance learning achievement and quality. In Assam though proportion of GSDP allocated to elementary education appears to be high but is constrained by capacity. Low per student expenditure on elementary education in Assam despite higher proportion of GSDP is a pointer to low capacity of state.

Public Expenditure on Education as percent of Total Budget

Another way of looking at public allocation of resources is total budget allocated to education and elementary education. The proportion of budget allocated to education may be a better indicator to gauge the priorities of government as government has complete control over its disbursement. It was suggested that at least 20 per cent of total budget may be allocated to education sector (Vande moortele & Mehrotra, 1997; GCE 2013)

Figure 4: Public expenditure on Education as per cent of Total State Budget



The priority accorded to education in allocation of budget resources rather stagnant with occasional ups and more downs across all states and seems to be converging below 20 per cent over the years. However, beneath these general trends one can find variation in trends in percentage of state budget allocated to education across states.

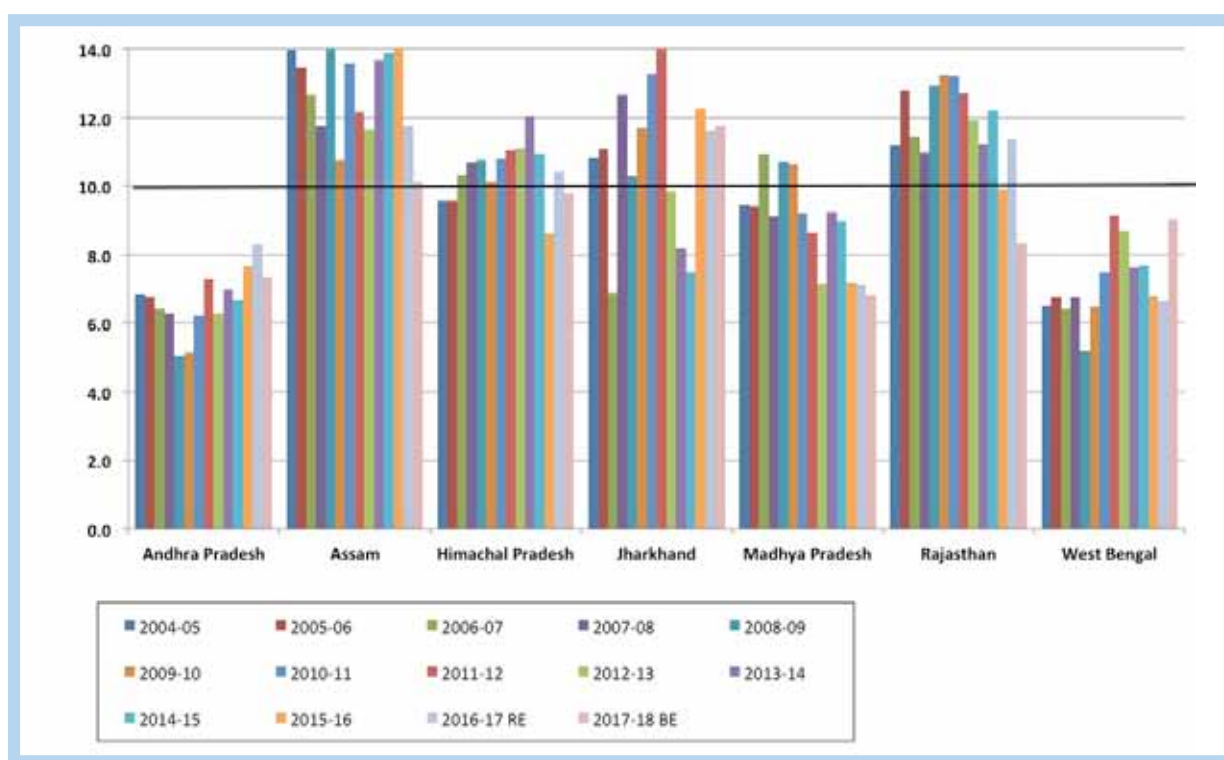
Himachal Pradesh allocates around 20 per cent of state budget consistently over the years. Rajasthan is also allocating more than 20 per cent its budget to education consistently (Figure 4). In Jharkhand it increased from 16.6 per cent in 2005-05 to nearly 24 per cent in 2013-14 declined to 18 per cent in 2017-18 BE. In West Bengal it has more or less remained below 20 per cent. Andhra Pradesh displays somewhat different trends. It declined from 19.7 in 2005-06 to 16.2 in 2017-18 BE. Assam on the other hand is spending more than 25 per cent of its budget on education in with few exceptions. This once again brings the capacity of Assam to allocate adequate resources to education.

It is clear that allocation of budgetary resources to education is less than 20 per cent in all states except Assam. Even in case of Assam, allocation of budgetary resources to education is declining over the years. In 2017-18 BE, the allocation of budgetary resources to education in Assam is barely a notch above 20 per cent. One can notice some kind of unwillingness of state governments to increase allocation of budgetary resources to education

Budget expenditure on elementary education as percent of Total Budget

Trends in the proportion of budget expenditure on elementary education reveal very marginal changes during 2004-05 to 2013-14. One can notice wide variation by states that is remarkably stable over the years. Budget expenditure on elementary education as per cent of total budget is nearly or above 10 in Assam, Himachal Pradesh, Jharkhand, Madhya Pradesh and Rajasthan (Figure 5). In only Andhra Pradesh and West Bengal, the budget expenditure on elementary education is much less than 10 per cent and in the range of 6.7 per cent.

Figure 5: Public expenditure on Elementary Education as per cent of Total State Budget

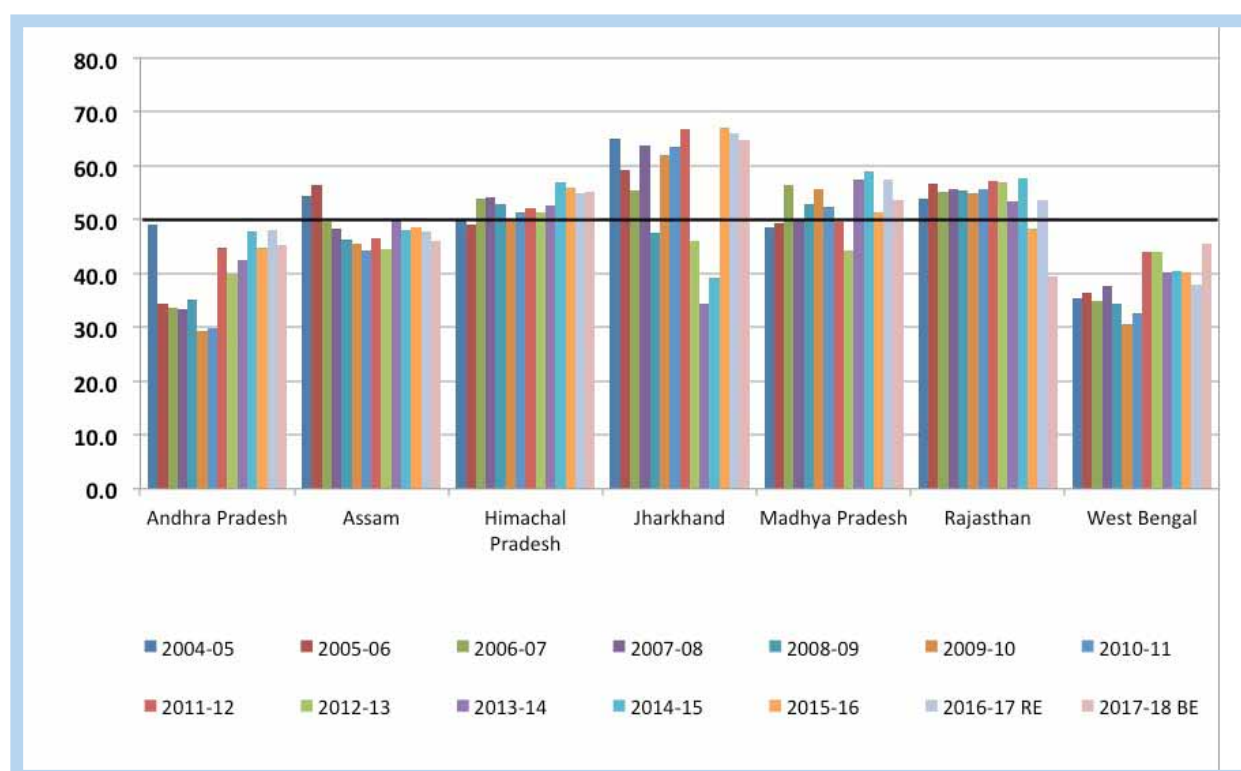


These trends in proportion of total budget allocated to elementary education amply demonstrate that some of states like Andhra Pradesh, West Bengal and even Jharkhand is not giving adequate priority to elementary education. Further no appreciable increase in the priority given to elementary education could be noticed. On other hand states like Madhya Pradesh, Rajasthan and Assam though the higher priority accorded to elementary education in allocation of budgetary resources to elementary education is on par with the policy prescriptions, but low capacity seems to be a constraining factor.

Budget expenditure on elementary education as per cent of education budget

What priority is given to elementary education within the budget allocated for education is a moot question. Many a times, education budget as a whole may increase but allocations to elementary education may not increase in the same proportion. This deprives elementary education of additional resources that would have been allocated had all sectors are allocated in accordance with needs. It may also be possible that when the overall allocation to education is low, even meager allocation to elementary education may in relative terms appears large. With these caveats let us examine intra-sectoral allocation of public resources on education.

Figure 6: Public expenditure on Elementary Education as per cent of Total Budget on Education



The priority accorded to elementary education in intra-sectoral allocation of public resources to education appears to have over the years. Notwithstanding this the share of elementary education in budgetary resources allocated to education remains much less than 50 per cent in case of West Bengal. In Andhra Pradesh the share of elementary education improved only recently. In appears that priority accorded to elementary education as per cent of total budget on education appears to be clustering around 50 per cent occasional spikes barring West Bengal and Andhra Pradesh, and Assam.

Expenditure on SSA

SSA has been designated as a vehicle to implement RTE and universalization of elementary education. The SSA framework has been revisited by MHRD in 2011 to bring it in harmony with standards and norms of RTE 2009. The additional requirement of resources to implement RTE 2009 was channelled through SSA. An analysis allocation to SSA would reveal the priority given to the

implementation of RTE 2009. The funding for SSA is shared between Centre and States in the ratio of 65:35 from 2010-11 to 2014-15 and in the ratio of 60:40 thereafter keeping in view the enhanced resource devolution under 14th Finance Commission. In case of north-east and hilly states the ratio is 90:10 between centre and state.

Allocation to SSA by Centre

It may be recalled that the Central Government has approved an outlay of Rs. 231 thousand crores for implementation of RTE through SSA during 2010-11 to 2014-15. The Centre has committed to allocate Rs. 137 thousand crores as its share after adjusting for the share of State and 13th Finance Commission (FC) allocation over this period. Ironically the allocation of resources to SSA by central government has not been increased adequately enough to meet the commitments. Though central government expenditure on SSA has increased soon after adoption of RTE 2009 from Rs. 19.6 thousand crores in 2010-11 to Rs. 24.8 thousand crores in 2013-14 but subsequently declined to Rs. 21.6 thousand crores in 2015-16 (Figure 7). A small increase during 2015-17 and 2017-18 refers to revised and budgeted expenditure and realisation of it remains uncertain. In constant (2011-12) prices the decline in the allocation of resources to SSA is even sharper (Figure 7). The expenditure on SSA by Centre has increased from 20.8 thousand crores in 2011-12 to 21.9 thousand crores in 2012-13 only to decline to Rs. 17.9 thousand crores in 2016-17 (RE).

Figure 7: Allocation to SSA by Central Government

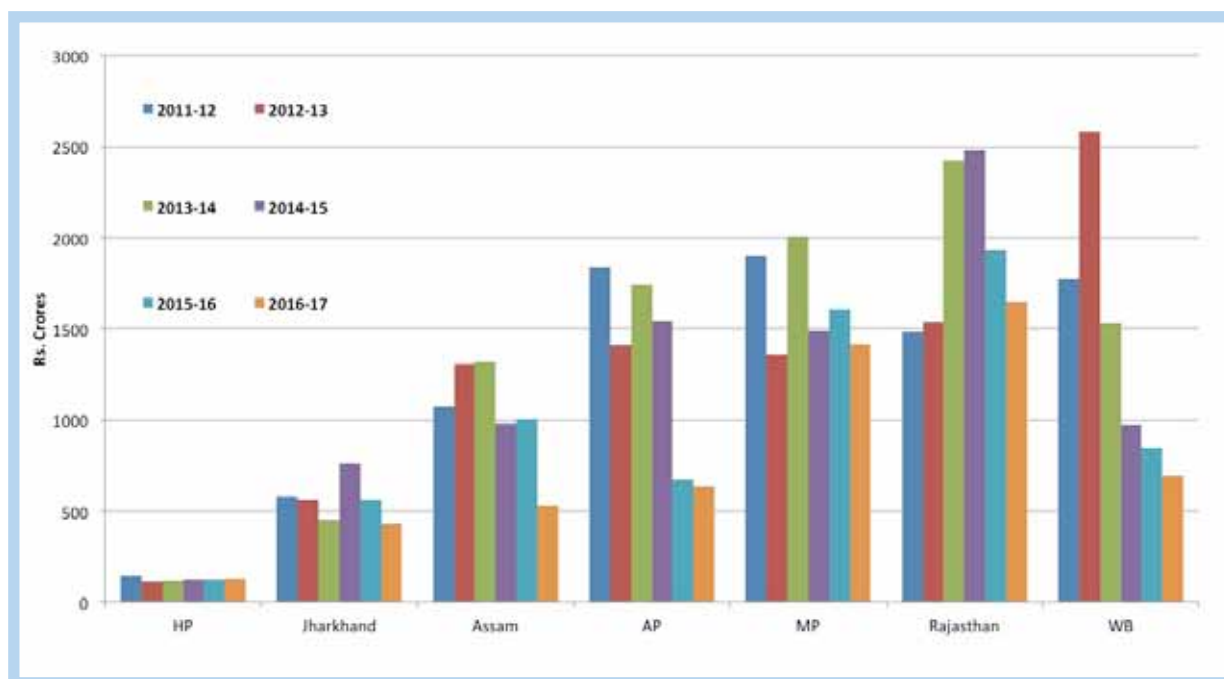


Source: Ministry of Finance (Various years) Detailed Demand for Grants

Release of central resources to seven states

Allocation of resources to SSA by centre to different states also indicates a declining trend though the patterns vary by state. The growth rate of release of money to all seven states is found to be negative during 2011-12 to 2016-17 except Rajasthan. In case of Rajasthan, as central releases have increased from 2011-12 to 2014-15, the decline in 2015-16 and 2016-17 got overshadowed. The decline in allocation of central government resources to SSA for the seven states is particularly severe between 2014-15 and 2016-17 with few exceptions (Figure 8). The magnitude of decline across several states is very high: From Rs. 758 in 2014-15 crores to 424 crores in 2016-17 in Jharkhand; from Rs. 1318 crores in 2013-14 to Rs. 530 crores in 2016-17 in Assam; from Rs. 2004 crores in 2013-14 to Rs. 1415 crores in MP; from crores 2480 crores in 2014-15 to Rs. 1647 in Rajasthan; and from Rs. 2581 crores in 2012-13 to Rs. 1532 in 2013-14 and further to 694 crores in 2016-17. In case of Andhra Pradesh, perhaps division of state into Telangana and current Andhra Pradesh may be one of the reasons for very sharp decline between 2014-15 and 2015-16.

Figure 8: Central Releases to SSA, 2011-12 to 2016-17



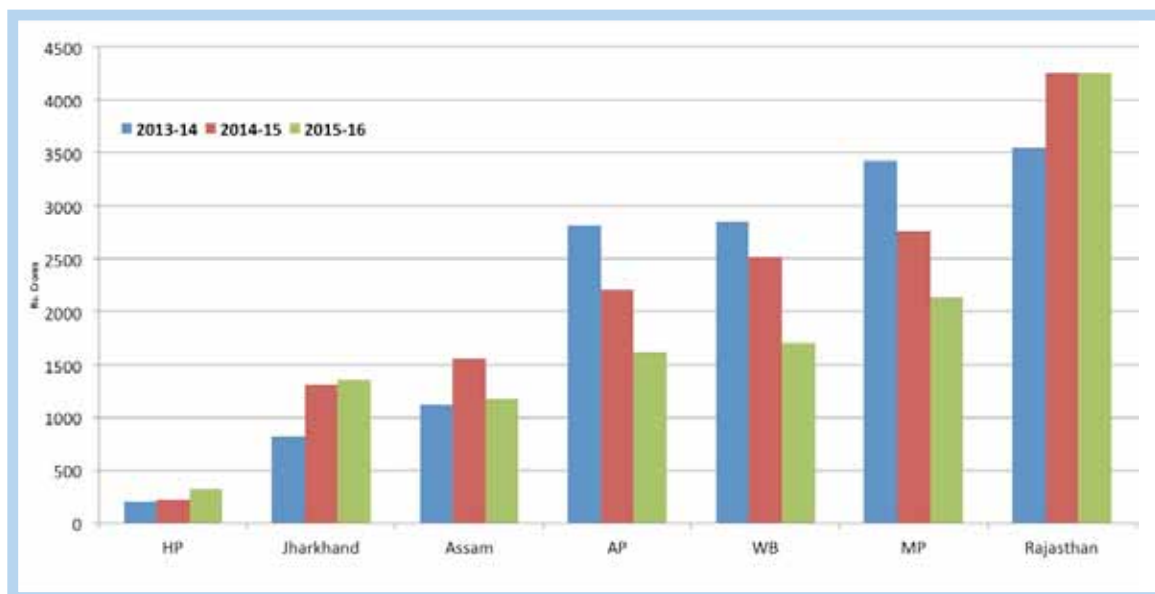
Source: MHRD, Brief on SSA-RTE; MHRD: Loksabha Starred Question No. 52

Note: Data on AP refer to united AP till 2014-15 and residual AP from 2015-16

Expenditure on SSA in Seven States

The overall expenditure on SSA (that includes central share, state share, finance commission and other miscellaneous contributions) is declining. For example in United Andhra Pradesh it declined from Rs. 2813 crores in 2013-14 to Rs. 2202 crores in 2014-15. Similarly, it declined from Rs. 2847 crores to 1707 crores in case of West Bengal and from Rs. 3427 crores to Rs. 2126 crores in case of Madhya Pradesh during 2013-14 to 2015-16 (Figure 9). One can notice significant increase in case of Rajasthan and also Himachal Pradesh. However this seems to have not sustained further as trends in expenditure for the year 2016-17 available till September 2016 indicate (MHRD).

Figure 9: Expenditure on SSA, 2013-14 to 2015-16



Source: MHRD: Starred Loksabha Question No. 52

Note: Data on AP refer to united AP till 2014-15 and residual AP from 2015-16

Expenditure by objects

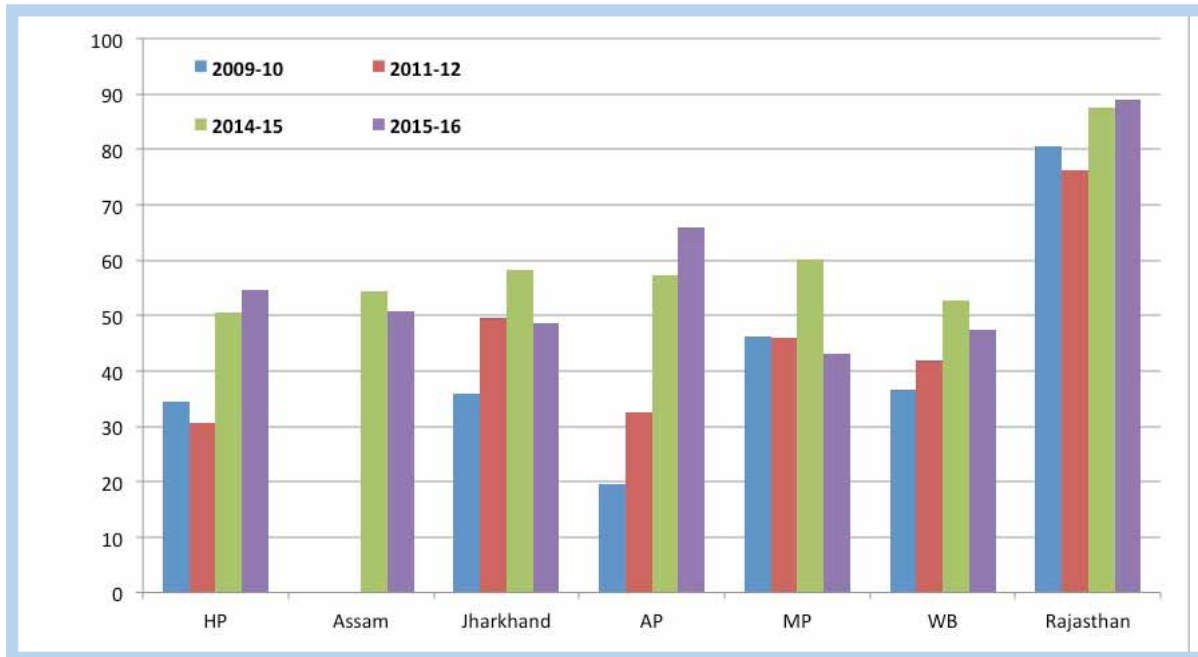
This section examines the allocation of resources under SSA by different components. This is critical to assess how much is being spent on quality enhancement activities and equity in the system. Ideally this should have been examined for the entire expenditure on elementary education. However due paucity of data, only expenditure under SSA by different components is examined.

Expenditure on SSA is incurred on a large number of components. More than 30 major components were listed. These include salaries for teachers, and teacher training, civil works in schools, BRCs, CRCs, teaching learning equipment, mainstreaming out-of-school children, etc. All these components were grouped into small number of functional areas risking some simplification and arbitrariness. These broad groups are physical expansion, equity, quality, governance, people participation, civil works and others.

Expenditure on SSA by components reveals interesting patterns. A large chunk of expenditure on SSA is on physical expansion (or essentially salaries of teachers) even now. It constitutes more than 50 per cent of SSA expenditure in all the seven states (Figure 10). For example, in 2014-15, it is 57.2 per cent in Andhra Pradesh, 54.3 per cent in Assam, 50.5 per cent in Himachal Pradesh, 58.1 per cent in Jharkhand, 60.1 per cent in Madhya Pradesh, 87.6 per cent Rajasthan, 52.6 per cent in West Bengal. Expenditure on civil works also takes up lions share. Expenditure on civil works was high in 2009-10 and 2011-12. It is declining over the years (Figure 11). It constituted a very high per cent in Andhra Pradesh (41 per cent), in Assam (35, 67 per cent) Jharkhand (35 and 40 per cent) in 2009-10 and 2011-12. It constituted about a quarter in Madhya Pradesh and West Bengal for a few years. It is very low in Himachal Pradesh and Rajasthan. It constitutes less than 15 per cent in 2015-16 across all seven states.

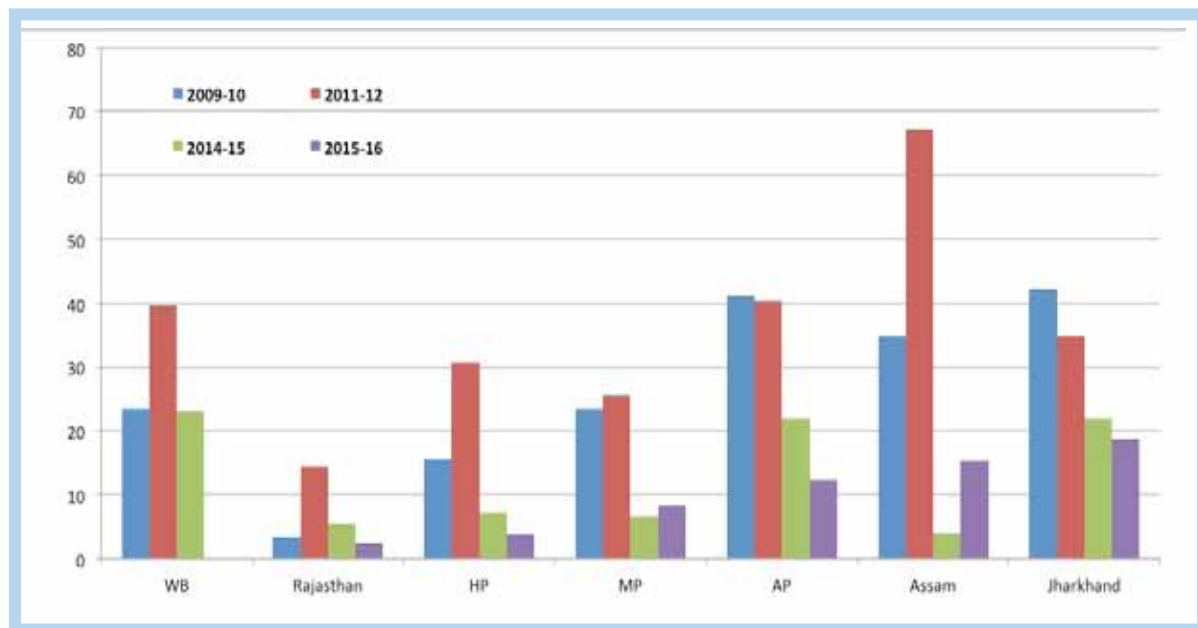
⁷ Salaries, construction residential schools, hostels are included in physical expansion; all incentives to children like interventions for out-of-school children, remedial teaching, special training, free text books and uniforms are included in equity; teacher training, provision of teaching learning material, research and evaluation, etc., were included in quality; BRCs, CRCs, school grant, Management Cost, etc., included in governance; training SMC members, etc., included people participation; civil works includes all civil works other maintenance.

Figure 10: Share of Expansion (includes salaries of teachers) in Expenditure on SSA



Source: Audit reports, PAB minutes of SSA

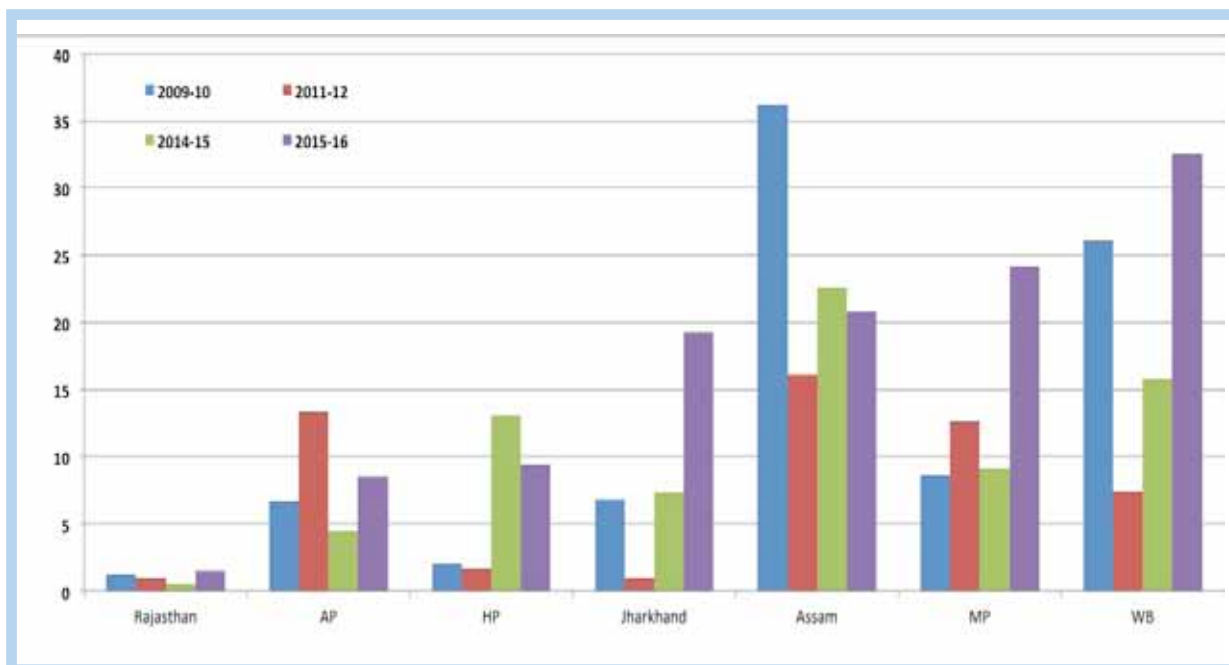
Figure 11: Share of Civil Works in Expenditure on SSA



Source: Audit reports, PAB minutes of SSA

The expenditure on components that enhance equity remained a low priority (Figure 12). It constitutes very small proportion (less than two per cent) in Himachal Pradesh and ironically in Rajasthan as well. In Andhra Pradesh, Jharkhand and Madhya Pradesh it constitutes 6-9 per cent. In Assam and West Bengal it constitutes around 15 per cent.

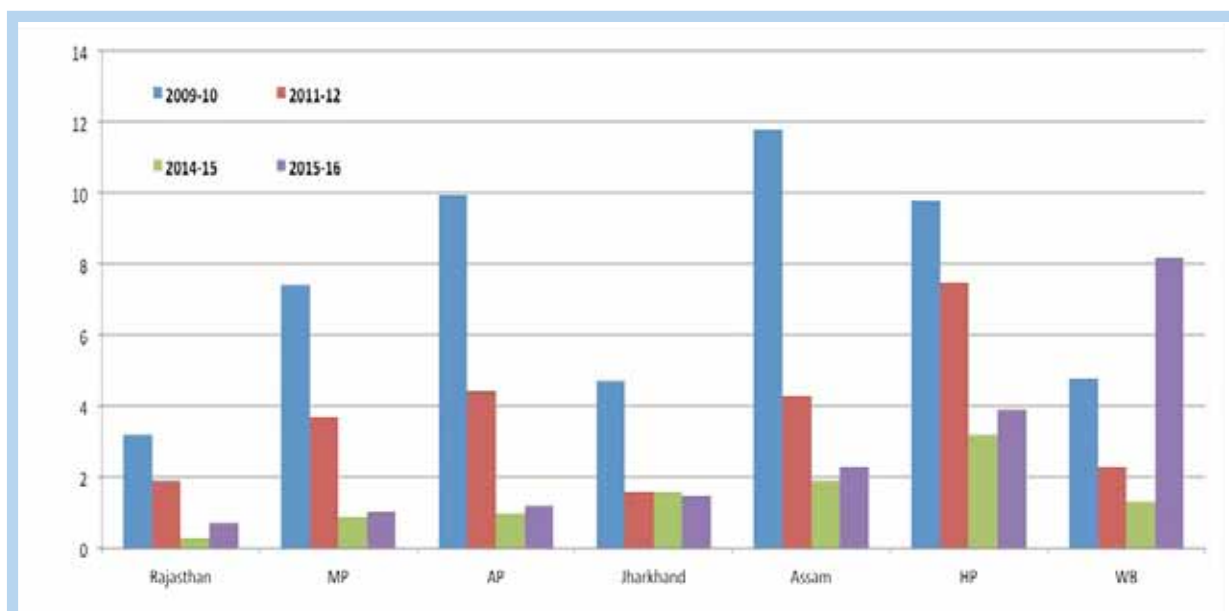
Figure 12: Share of Equity components in Expenditure on SSA



Source: Audit reports, PAB minutes of SSA

The expenditure on components that enhance quality constitutes small proportion and also declining over the years. It is less than one per cent in many states in 2015-16 (Figure 13). In 2009-10, the share of components that enhance quality was 4 to 10 per cent across different states. But by 2014-15 it fell to one per cent. It may be noted that in Madhya Pradesh and Rajasthan it was lower than 1 per cent. In fact except for Himachal Pradesh and West Bengal, in all other states it is less than 2 per cent. The allocation to ensure participation of community members is small and further declining.

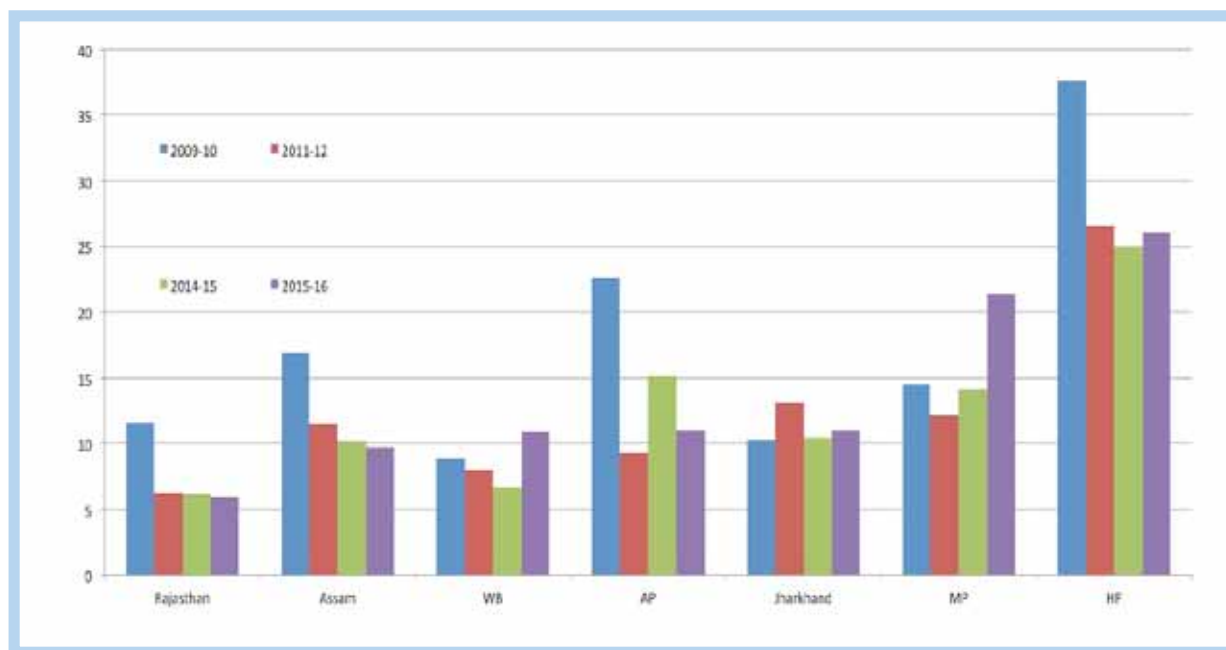
Figure 13: Share of Quality enhancing components in Expenditure on SSA



Source: Audit reports, PAB minutes of SSA

The patterns in expenditure by components in Himachal Pradesh are different from other states with regard to expenditure on governance. The share of expenditure on governance was high compared to other states. In Himachal Pradesh more than a quarter of SSA expenditure is on governance related components. In other states it is less than 10 per cent (Figure 14). Paying attention to governance related aspects of education may be one of the facilitating factors in high achievement of Himachal Pradesh.

Figure 14: Share of Governance components in Expenditure on SSA



From trends on expenditure of SSA by components, it is clear that teacher's salaries and civil works still dominates. The share of expenditure on quality and equity related components are low and further declining.

Summary

From foregoing discussion on allocation of public resources to education the following stylized trends can be identified.

- The public expenditure on education and elementary education has increased significantly in all the seven states at least in nominal prices during 2004-05 to 2017-18 BE. The growth is however moderate in real prices. There is no appreciable acceleration in the growth of public expenditure on education and elementary education after enactment of RTE 2009 and also after acceptance of 14th Finance Commission recommendations. This indicates that the enactment of RTE 2009 has had very limited impact on allocation of resources to elementary education. Further the fiscal space provided increased devolution of resources as part of 14th Finance Commission has not been channeled into education sector in any significant way.
- The priority accorded to education in allocation of resources as per cent of GSDP is very low and remained stagnant with few exceptions during 2004-05 to 2017-18 BE. Further one

can also notice wide variation between states in the share of GSDP allocated to elementary education. In Andhra Pradesh and West Bengal, it was less than one per cent; in Rajasthan, Madhya Pradesh and Jharkhand it was around 1.5 per cent; and in Assam and Himachal Pradesh a little above 2 per cent. It may be noted that poor states like Assam is allocating more resources to elementary education as per cent of GSDP than relatively rich state like Andhra Pradesh, Himachal Pradesh. This implies Assam is stretching its limits to in allocating resources to elementary education. This is evident from nearly equal per student expenditure on elementary education in Andhra Pradesh and Assam in 2011-12. Himachal Pradesh has given high priority in allocation of resources to elementary education for a long time. This is reflected in relatively high performance in participation rates at elementary and secondary education. From the experience of Himachal Pradesh it can be surmised that to achieve universalization of elementary education there is no escape from allocating more resources consistently for longer duration.

- Similar patterns can be found in the priority given to elementary education in total budget of states. Low priority and near stagnation seems to be the pattern across all states. Andhra Pradesh and West Bengal accord lowest priority to elementary education. The proportion of total budget allocated to elementary education is between 6-7 per cent. Assam, Himachal Pradesh, Madhya Pradesh and Jharkhand allocate around 10 per cent of total state budget to elementary education.
- The priority accorded to elementary education in intra-sectoral allocation is more than 50 per cent in many states except Andhra Pradesh and West Bengal.
- The central government budget expenditure on SSA has increased soon after the adoption of RTE 2009 but the momentum was not maintained subsequently. The central government budget expenditure on SSA has either declined or increased only by small increments from 2013-14 onwards. In constant (2011-12) prices the declining trend is unmistakable. Release of central funds to seven states under SSA has been declining particularly since 2013-14 onwards.
- The expenditure on SSA by different components reveals that the salary of teachers still accounts for a significant share. It accounts for more than 50 per cent in Himachal Pradesh, Assam, Jharkhand, Andhra Pradesh, West Bengal and Rajasthan in 2015-16. In Madhya Pradesh it accounts for 43 per cent. In Rajasthan for nearly 90 per cent. the share of civil works has decline over the years and now accounts for less than 10 per cent in Rajasthan, Himachal Pradesh, Madhya Pradesh, Andhra Pradesh and between 10-20 per cent in Assam and Jharkhand in 2015-16.
- On other hand the share of quality components was small and further declining. In 2015-16, it was less than 2 per cent in Rajasthan, Madhya Pradesh, Andhra Pradesh, Jharkhand and Assam; less than 5 per cent in Himachal Pradesh and 8 per cent in West Bengal. The share of components that enhance equity is very small (less than 10 or even 5 per cent) in many states. In a couple of states the share of equity components is nearly or more than 20 per cent. these patterns directly goes against the commitments made by nations

including India in Incheon declaration to 'prioritize those most in need' in allocation of public resources (p. 67).

- The share of governance related components also is very small and further declining over the years. It is less than 10 per cent in all states of the study except Madhya Pradesh and Himachal Pradesh in 2015-16. Incheon declaration urges the nations to improve efficiency and accountability of finances by improving governance. It may not be out of context to recall that one of the reasons behind better performance of Himachal Pradesh in achieving universal elementary education may be comparatively higher expenditure on governance related components.
- It may be noted that the share of equity, quality and governance related components is very low in those where salary of teachers is high. The expenditure on salaries of teachers is crowding out expenditure on other items. However at the same it may be noted there exists large number of teacher vacancies and large number of schools that do not meet RTE 2009 norms on availability of teachers. This implies overall expenditure on SSA and elementary education is low and consequently expenditure by different components is distorted.

Recommendations

The findings point out the inadequacy of allocation of public resources to implement RTE 2009 in seven states under study. The promulgation of the Act and increasing fiscal space available to states has not made much difference. Further the priority accorded to elementary education both as per cent of GSDP, budget and education budget is far below the policy recommendations and either declining or stagnant over the years. From these findings and drawing from Incheon declaration to which India is signatory the following recommendations were made.

The allocation of public resources to implement RTE 2009 to universalize elementary education need to be increased to meet the requirements. This implies that mere keeping pace with past growth rate and/or inflation is not suffice. The growth rate of public expenditure on elementary education needs to be substantially accelerated. The states can make good use of fiscal space provided by increasing devolution of resources by 14th Finance Commission for this purpose.

The states need to increase the allocation on education and elementary education to constitute 6 per cent and 3 per cent of GSDP respectively. Incorporating allocation of 6 per cent of GDP/GSDP in legislation with a definite time line may be best way forward to ward off further delays. Such a provision is already in place in a few countries (The Law Library of Congress, 2016).

The allocation to education need to be raised to at least 20 per cent of state budgets. In the interim, at least 25 per cent of state budget may be allocated to education to meet cumulative gaps in the provision of education and infrastructure facilities and comply with the provision of RTE 2009. The centre needs to augment fiscal capacity of states that are already spending more than 20 per cent of their state budget on education with education specific assistance.

Allocations to SSA need to be increased. As entire proceeds from education cess go to Centre, the funding ratio between centre and states may be reverted back to 75:25 so as to increase allocation to

SSA. At the same time care should be taken that increased allocation by centre should not substitute state allocations to education.

A large proportion of expenditure on SSA is on salaries of teachers. It is mainly because of inadequate allocation on other heads. The low level of expenditure and misplaced priorities by states led to distortions in expenditure by components. While increasing allocations to SSA, the components related to quality, equity and governance need to be prioritized.

From foregoing analysis it seems no appreciable increase in the priority accorded to elementary education could be recorded even after enactment of RTE 2009 and also taking many measures like levying education cess and mobilizing external resources during last two decades. The enactment of RTE 2009 is expected to address resource scarcity to elementary education. The promises made to allocate 6 per cent of GDP to education 3 per cent of GDP to elementary education to meet constitutional requirement seems to have been belied. The allocation of resources to elementary education is nowhere near to these promises. The need to allocate 6 per cent of GDP/GSDP to education and half of it to elementary education needs no further emphasis. In the end it should be noted that allocation of adequate resources to education is paramount in the interest of nation and people and State is the duty bearer.

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ABOUT NATIONAL COALITION FOR EDUCATION (NCE)

Vision

National Coalition for Education (NCE) aspires to ensure inclusive and equitable quality education and lifelong learning opportunities for all.

Mission

National Coalition for Education (NCE) strives to advocate for the Right to Education for sustainable development with active participation of Civil Society Organisations, Teachers' Unions, Community and Policy makers to make education a reality for all by 2030.

Genesis

The creation of national coalition for education in India was highly influenced by the global political atmosphere on right to education. Beginning in 1990 with the Jomtien Conference and the adoption of the World Declaration on Education for All there has been a continued push to get every child into school. However, there was very little progress being made and ten years later, in 2000, the World Education Forum was held in Dakar, Senegal, and an agreement was made on the objective of having EFA by 2015. Six targets were set up stating that quality education should be available for free for everyone. One of the biggest players present at the forum was the Global Campaign for Education (GCE) that was created from the efforts of INGO's Action Aid, Oxfam GB, and Education International that wanted to set up a global coordinated funding initiative. The GCE promised to mobilize and create public pressure on governments to follow up on their promises to provide free high quality education for all people, especially for children and women (GCE 2009).

The NCE was formed as a product of the prolonged struggle of like-minded organizations, groups and individuals on the issues of education in India. The idea of establishing a national coalition in India initially began in 1996 when several of the current members began working together on the issue of EFA.

Composition

Since its official inception in 2002, the NCE has brought together a varied group of member organizations, uniting teachers unions, non-governmental organizations, and other social movements. At this time, the NCE has seven member organizations:

- All India Primary Teachers Federation (AIPTF), a union of more than 3 million primary teachers,
- All India Federation of Teachers Organization (AIFTO), a union of 1.2 million teachers,
- All India Secondary Teachers Federation (AISTF), a union of 0.85 million teachers,
- All India Association for Christian Higher Education (AIACHE), an association of 300 college principals,
- World Vision India, a foundation working for child rights, education and development,
- Parliamentary Forum for ensuring right to Education, a group of existing and newly elected Parliamentarians.
- People's Campaign for Common School System (PCCSS) an organisation working for common school system.
- Besides these partners NCE has around 150 NGOs, individuals, networks and fellow travellers from community as well as at national level.



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