# Public Spending on School education in Bihar: The Gaps that Covid-19 Highlights

(Includes analysis of union budget)

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## **Executive Summary**

"But even when disasters are natural in origin, their impact is shaped as much by human actions before and in the aftermath as they are by their inherent force. Poor and otherwise vulnerable people are almost always disproportionately affected."

#### - The Guardian

This report critically analyses the gaps in the public financing of school education starting with the Union government, followed by a more detailed analysis of Bihar. While the Covid-19 pandemic is the entry point, it looks at the structural issues of public provisioning of school education, as the pandemic brings into relief these pre-existing gaps. The issues are discussed within specific contexts of the lived reality of the stakeholders, rather than only as quantitative analysis of budgets. In addition to the macro budgetary perspective, the analysis integrates issues that emerged from the field, narrated through the experiences of government school teachers, students and members of civil society. The key questions raised in this study are: What were the pre-existing gaps in school education? What happened to school education expenditure and its components during the pandemic? How well did the State protect the education of the marginalised children? And, most important, what is the way forward? Two kinds of policies/ schemes - generic schemes (tied to the objective of equality of opportunity for all) and those that cater to specific groups to compensate for their disadvantages and discriminations, past and present, constitute the framework of analysis.

#### Central spending on school education: A background

There has been a strong case for increasing the central spending on school education substantially. Right to Education (RTE) provides every child in the 6-14 age group a Constitutional guarantee to formal schooling which fulfils certain essential norms. To what extent and how adequately the State and its institutions fulfil the obligations, depends crucially, on the budgetary policies on education. A recent study estimated that the additional resource requirement for fulfilling the RTE is above 1.4% of GDP. Actual expenditure is alarmingly low in many states, compared to the normative requirement. This manifests in shortfalls/ gaps, ranging from small to very large, in the facilities required for school education, such as schools at an accessible distance, trained and qualified teachers, administrative machinery, classrooms and other infrastructure. Not only is the gap between the needed spending and the actual spending very large, but the gaps are also located in states that have a very low resource base. An obvious solution to the inadequacy in spending and unequal spending capacities across states is for the centre to step in, to provide additional resources to poorer states, such that there can be adequate expansion and improvements in the public school system across the country. The idea of centrally sponsored schemes, where the GoI shares a substantial part of the burden of expenditure, is to feed into this transformation of the school system in the states through additional resources from the centre.

This desired expansion of central spending, however, did not materialise. Rather the expenditure on centrally sponsored schemes (CSSs), the principal form of specific-purpose transfers to the states, was curtailed in the years leading up to the pandemic. These contractionary trends in central spending meant that the share of central spending in overall spending on school education was falling. In the last several years, the GoI has increasingly passed the expenditure on school education on to the states, rather than financing it concurrently. The reversal of financial concurrency between the centre and the states is one of the defining characteristics of the recent period. The allocation on Sarva Shiksha Abhiyaan

(SSA) – the main programme for implementation of RTE – has suffered from stagnant allocations, occasional declines, or marginal increases at best, in nominal terms. A similar stagnation of expenditure is visible for the mid-day meals (MDM).

Naturally, this expenditure strategy was accompanied by de facto policies such as continuing use of contract and guest teachers in schools, non-filling of teacher vacancies and persistence of infrastructure deficits over the years, etc. Additionally, the policy of school consolidation has resulted in a shrinking of the public education sector at the school level and an expansion of the private education sector. These policies were adopted by the states with the Centre implicitly/ explicitly being a partner to it. Between, 2015-16 and 2021-2, the number of government schools declined by nearly 83,000 in India.

#### The pandemic

India went through the fourth longest school closure spanning more than 500 days. It has resulted in unprecedented setbacks in children's lives and their educational and overall development. The pandemic's economic impact alone would cause many more children to drop out of school. It has reversed years of hard-earned achievements. A survey of nearly 1,400 school children in underprivileged households brings out the catastrophic consequences of the prolonged school closure in the last year and a half, and the myth of online education. In rural areas, only 8% of the sample children are studying online regularly, and 37% are not studying at all. About half of the surveyed children are unable to read more than a few words, indicating a sharp dip in basic literacy. The figures are much worse for Dalit and Adivasi families than for others. The crisis is widening the pre-existing education disparities by reducing the opportunities for poor and marginalised children.

The impact extends far beyond learning. Closures of educational institutions hamper the provision of essential services to children and communities, including access to nutritious food, affect the ability of many parents to work and increase the risks of violence against women and girls.

Many more parents find it impossible to afford low-fee private schools (LFPSs). The LFPS was never an equitable solution, and it is not surprising that the pandemic has brought in its wake an increased demand for public schools. Between, 2019-20 (pre-pandemic year) and 2021-2, the enrolment in government schools increased by 7.5% (all-India) or 1.17 crore children took fresh admissions. Some states such as Rajasthan and Haryana saw growth in enrolments between 16-22%. The implication is that the financing requirements have gone up substantially and the financing gap (the gap between what needs to be spent and the actual spending) is bound to widen unless government expenditure is stepped up substantially.

#### The pandemic and the adverse expenditure shock

Instead, the pandemic saw steep cuts in the centre's expenditure on umbrella Samagra Shiksha Abhiyan (SMSA), which now subsumes most of the CSSs. Coming on the back of a decelerating trend in central spending on school education, there was thus a further shrinkage. Among all the CSSs across sectors, the highest reduction was for SMSA (reduction of Rs 10,794 crore from the budget stage), in 2020-21. In 2021-2 there has been further reinforcement of the declining trend. There was an increase in allocations on MDM during the first year of the pandemic, but only temporarily as in the following year, 2021-2, the budgeted figure is far lower than the previous year's expenditure.

Expenditure on the schemes targeting the inclusion of children from marginalised groups, such as the GoI's allocation of scholarships has perpetually lagged behind the growing demand for scholarships. The allocations on scholarships remained severely fund-limited, and some scholarship schemes were discontinued in recent years (eg. the National scheme of incentives

to girls for school education). Though these schemes did not suffer the same cuts as SMSA, the allocations were inadequate. The mismatch between demand and supply persisted or even increased since the situation warranted a substantial step up in the allocation on scholarship schemes as social safety nets for disadvantaged groups. Money didn't reach the majority of the students raising serious questions on the design and effectiveness of implementation. The National Council for Dalit human rights survey of students from marginalised communities pursuing higher education, across six states, during the Covid-19 pandemic finds that as many as 48% of students had not received the scholarship amount in 2020-1. Among those who received the scholarship money, only 31% had received it on a timely basis. Mere 27% have filed a complaint regarding the delay in the disbursement of their scholarship.

#### What needs to be done by the union government?

Clearly, the union government needs to rethink its contractionary strategy on school education and instead accord the needed priority to this sector.

- ✓ A roadmap for RTE and its implementation is long overdue. This would need the restoration of financial concurrency and a substantial step up in allocations on CSSs.
- ✓ More central transfers on education need to be channelled to the lagging regions of the country, preferably with minimum conditionalities.
- ✓ There is an immediate need to revisit the policy on school rationalisation. Instead, necessary investments for the expansion of public schooling are suggested. The reverse flow of enrolments into government schools should be consolidated and not dismissed as a pandemic effect.
- ✓ Adequate allocations on scholarships are essential to match the growing demand for education from marginalised sections and to make the recovery from the pandemic less difficult. Implementation issues in fund flows abound and await effective solutions. There is a need to deliver on these Constitutionally guaranteed entitlements.
- ✓ Another gap revealed by the pandemic is the under-development of public digital infrastructure which would need substantial investments, in line with public aims of education, as discussed in this report.

#### Bihar

Bihar has the lowest Human Development Index rank in India. The state has one of the lowest per capita incomes in the country. A staggering 51% of SCs and 56% of STs lived below the poverty line in the state (2011-12). It has the highest proportion of people at 51.9% of its population, who are multidimensionally poor and eleven Bihar districts have a poverty ratio above 60%.

In terms of basic schooling facilities, the state has massive vacancies in teacher positions (at every level) and faculty positions at teacher education/ training institutes. There are 2.27 lakh vacant posts of teachers/head teachers in government elementary schools (2020-1). The number of schools with adverse pupil-teacher ratio (PTR) is high, at 61.7 % and 70.5% at the primary and upper primary levels, respectively. Only 8% of upper primary schools are having teachers for 3 core subjects as required by RTE norms. The infrastructure position in schools in Bihar remains grim, despite some progress over the years. As per the latest data (2021-2), the classroom deficit (as a proportion of existing classrooms) is 59.2%, and the teacher deficit (as a proportion of teachers working) is only a bit lower at 52%. The proportion of out-of-school children in the 6-18 age group was 14% (2017-18). Dropout rates increase in higher

classes, but among the marginalised groups, the phenomenon starts in the elementary cycle. The pandemic has intensified the challenge of retaining children in schools.

The above gaps are reflected in the public finance data on school education in Bihar.

#### Public financing of school education in Bihar

Overall low levels of per-child spending, massive financing gaps, and a declining priority on education in recent years characterise the landscape of school education financing in Bihar.

- (1) While the per-child spending has increased over the years, Bihar continues to stagnate at the bottom, a long way below the average spending level of the major Indian States. In 2018-19, per child expenditure on school education in Bihar was less than Rs 5000, whereas it was close to Rs 24,000 in Kerala. The distance vis-à-vis states such as Kerala and Tamil Nadu at the top has only grown over the years, raising inequalities in public spending across regions.
- (2) The gap in financing appears equally stark when we measure the distance between the present level of spending and what norm-based expenditure on education would necessitate. As per our estimates, the actual expenditure in Bihar is only a fourth of the total resources required for elementary education, if one were to follow the RTE-compliant norms at the school level and provide the requisite systemic resources that would ensure that the system delivers. The additional requirement for elementary education alone for Bihar was a whopping 10.1% of GSDP and 40% of revenue-receipts (pre-pandemic years). Bihar, therefore, needs a big push to raise the existing level of expenditure on school education. Much of the additional funding must come as special central assistance for the state, a recommendation also made by the state-appointed Committee on Common School System in Bihar.
- (3) The recent period (2015-20) has been a downward slide in priority to education in overall spending in Bihar. At present Bihar devotes around 20% to educational spending, whereas it was at a higher level a decade back. Similarly, expenditure on education as a percentage of GSDP fell from an average of 5.9% for 2005-2010 to an average of 5% for the 2015-2020 period. In 2019-20 and 2020-1, education expenditure/GSDP fell below 5%. It may be mentioned that the declining priority, in recent years, is part of an all-India trend. Along with state-level factors, these are a result of macroeconomic policies changes in fiscal policy and intergovernmental transfer mechanisms.
- (4) The pandemic heightened the contractionary tendencies that were already underway. A squeeze in expenditure on school education had taken place, even before the pandemic struck. In 2019-20, the expenditure growth (over the previous year) on school education was negative 9.4%, in nominal terms, in the state. Thus, even though there was a small positive change (2.4%) in expenditure in 2020-1, the first year of the pandemic, the overall expenditure on school education stood below its 2018-19 level. The contraction was absorbed by the plan schemes.

It is expected that the enormous pre-existing financing gaps in Bihar have increased substantially with the pandemic and the subsequent closure of schools, a warning sounded by UNESCO (2020) at the beginning of the pandemic. The international agency had foreseen that financing education could face major challenges, exacerbating massive pre-COVID-19 education funding gaps in low-income countries. The experience of public financing of school education bears out the above observation.

#### Unpacking some major schemes for education

Bihar has a greater dependence on CSSs than other states for financing education. Central transfers to the state for education through various programmes comprised 27% of the overall education expenditure in Bihar (2014-15). It implies that the trends in central transfers would affect the financing of education much more in Bihar than in other states. In other words, the limited financing of CSS on school education by the centre would affect plan expenditures in Bihar.

The expenditure on SSA in Bihar has stagnated over the better part of the last decade. If we consider the recent years, after an increase in expenditure between 2017-18 and 2018-19, the expenditure declined in absolute terms in 2019-20 with sharper cuts in 2020-1. This supplyconstrained nature of education financing expresses itself in a variety of ways. There is a large difference between the state proposal and the approved budget for Bihar on SSA and now SMSA, for all the years. The latter is only 45% of the proposed budget in 2020-1, for instance. The state government asked the GoI for higher unit costs for teachers' salaries than the existing SSA levels and sanction of teachers' salaries for around 95,000 teachers in the state, but these demands were not met. Teachers' salaries are the major component of the costs of schooling, and Bihar has one of the largest gaps in teaching positions. For a resource-constrained state, without central assistance, the gap in financing, especially for recruitment of new teachers may remain unmet/ met very gradually, impacting scores of children. As per the state budget documents, Bihar contributed more than its mandated share of 40% of allocation for implementing SMSA in the state in recent years, highlighting the tightness of central spending relative to the requirements. Clearly, the centre is expecting the states to fund more and more of the expenditure on school education. Requests for financing from the state are turned down. It impacts the resource-poor states such as Bihar, disproportionately.

The other main CSS, MDM, has witnessed a similar stagnation in allocation and expenditure, over the years in Bihar. Controlled for inflation, the allocation of MDM fell continuously from 2014-15. Thus, even before the pandemic, the contractionary tendencies in expenditure on MDM were clear. However, during 2020-1, expenditure on MDM increased by 28% on 2019-20 levels. Again, as per the budget documents, Bihar has contributed more than its mandated share of 40% of allocation for implementing the MDM scheme in the state in recent years. The central support through SSA/SMSA and MDM remains far lower than the demand for additional funding. This is also seen in the limited coverage of MDM in Bihar. Food Security Allowance was provided to about 1.18 crore (an average of 69%) students, a gap that is a source of conflict and tension on the ground, as teachers described. This supply-constrained condition, in terms of the gap between approved budgets versus proposed budgets or demand versus supply of funds, impacts other schemes such as Rashtriya Madhyamik Shiksha Abhiyan and Kasturba Gandhi Balika Vidyalaya, as well. The latter is an important compensatory scheme, now being extended to higher classes and more schools in Bihar, and targets disadvantages at the intersection of caste, gender, geography, and educational deprivations.

The overall fund-constrained nature of financing emerges starkly across CSSs. It manifests in unrealistically low unit costs, incomplete coverage, not meeting additional demands on the desired heads, and allocations lagging behind expenditure, in certain cases, etc. It presents a different picture than the usually held perception of an unlimited supply of central finances, whereas the states are unable to spend this money. This is not to say that the latter is not a problem and utilisation of funds by the state cannot be improved. The utilisation ratio for SSA for Bihar (defined as expenditure to funds available) was around 83 percent (average of six years: 2012-13 to 2017-18 period). Decentralised mechanisms that provide sovereignty and

flexibility to the states in the various CSSs (with suitable checks and balances) will raise the utilisation of funds and ensure that the funds meet the critical gaps.

Among schemes specially designed for marginalised groups, scholarships are an important component of school education expenditure in Bihar. The state has several state schemes; besides there are CSS - pre-matric and post-matric scholarships, etc. Allocations for centrally sponsored scholarship schemes appear to be low, erratic, and uneven. While the schemes are supposed to be centrally sponsored with the major expenditures incurred by the centre, it may not be the case de facto. This might be because of the conditionality attached to the central assistance or other reasons.

One scheme analysed is the post-matric scholarship for SC students (PMS-SC) in Bihar where between 2017-18 to 2019- 20 central expenditure was nil and state expenditure was stagnant at Rs 58 crores. Several factors explain what has happened to PMS-SCs in Bihar, and it is a quintessential representation of the kind of problems that have plagued scholarship schemes in recent years. There is the problem of dwindling beneficiary numbers and a large part of it is because of the cap introduced in the scholarship scheme by the state government. It managed to preclude many students who no longer were eligible. Second, Bihar did not meet the committed state expenditure on PMS-SC, which was a necessary condition to avail central assistance. The state did not meet the minimum expenditure required on this scheme but continued to spend on other state schemes. Third, the Centre did not, therefore, release the central assistance for the scheme between 2017-18 to 2019-20, citing the conditionalities. The most marginalised in one of the poorest states of India were thus denied their rights (more prosperous States received Central assistance). Another set of issues relates to the National Scholarship Portal (NSP). NSP is part of GoI's e-governance initiative and has been uniformly launched across the country. Because of technical snags in the NSP portal in Bihar, it is alleged that the state government has not received applications for the PMS for some years. Again, this is something that should have been corrected quickly or a way found around it but the problem has reportedly dragged on for three years. While the state needs to be more pro-active, it also raises the question of whether a new technology such as the NSP should be applied to fragile settings. The percentage of students who apply for scholarships and those verified are both extremely low. It questions the effectiveness of the new system of scholarship delivery. The upshot is that over the past several years, a section of the youth in Bihar who are entitled to scholarships have not received the PMS creating enormous hardships for the student community.

Thus, besides the supply-constrained nature of financing, problematic design, arbitrary changes in eligibility requirements, changes in governance mechanisms and administrative apathy have the potential to undermine such significant programs. Top-down administrative changes without proper evaluation and feedback indicate that systems of money flows are becoming increasingly centralised and complex for many stakeholders, as evident from the field.

#### Findings from the Field: Bihar

Some qualitative and quantitative evidence is presented on the impact of the pandemic and the supply-side response/ the lack of it, based on primary data. The fieldwork was conducted during October November 2020-21 in Bihar. It involved (1) teacher surveys comprising 16 government school teachers selected from across the state; (2) Focus group discussions with students from marginalised communities; (3) In-depth interviews with select teachers, school Principals and members of civil society organisations working at the grassroots level. The idea is not to paint an accurate picture through a rigorous survey which is beyond the scope of this study, but rather to highlight the actual contexts of the budgetary policies through the voices of

the stakeholders. The observations relate to five areas: dropouts among children in vulnerable communities; school infrastructure and teachers; mid-day meals; entitlements and scholarships during the pandemic; and, the changing systems of financial flows.

- "The relationship with studies is lost," the girls said. Bihar has high levels of out-of-school children (OSC). The percentage of OSC is far higher among the SC/ST community, and among the Dalits, the Maha-Dalits are the worst off. The impact of the pandemic is severe on the most marginalized communities, and the girls among them are the worst affected, battling various intersecting deprivations and challenges. School closure has pushed many girls to drop out while many more children are on the verge of dropping out. Many are yet to return to school, even after schools have reopened. School closure, lack of socialisation opportunities, early marriages, rising economic distress, unemployment, a higher load of household chores, lack of digital access, etc. are some in the long list of challenges that such students face. The opportunity cost of education has climbed up and the small means to support it is lost. The public system largely failed to provide the needed succour to these badly affected communities, except for the state support in the form of ration for essential food security, the respondents remarked.
- Some of the gaps in the system unravelled and were brought into relief more sharply. The lack of scholarships for students from marginalised communities amidst the pandemic is one such egregious example. During our discussion, students confirmed that they have not received the PMS over the last few years. It has deprived students of essential support that could help finance their education during this crucial emergency. Non-payment of PMS as a problem has its origin (and therefore solution) in various system-level hurdles, as discussed above. Students, however, blame their college the frontline administration for not receiving the scholarships. They find the application process for PMS difficult and therefore, must buy external assistance, while the role of the school/college has become minimal. The non-payment of PMS and other scholarships increases the chances of discontinuation of education for children from marginalised and vulnerable groups.
- MDM programme was the main connection between the school and the parents during
  the pandemic. Children received MDM through the pandemic, though not without
  hiccups. The stagnation of the MDM budget finds expression on the ground in terms of
  limited coverage of students and the distribution of only rice instead of a more diverse
  food grain basket.
- Teachers underlined the difficult conditions of work and the inadequate resources in schools. Many teachers emphasized the problem of insufficient classrooms. Qualitative issues related to WASH facilities, where such facilities exist, were flagged by the teachers. Two out of 15 schools reported having functional computers for students. The pupil-teacher ratio is higher than RTE norms in almost all schools in this survey. Schools especially higher secondary schools are left without subject teachers for most subjects. The state seems to be somehow managing by appointing guest teachers, at low salaries. There is a sense of disappointment in the past recruitment processes and the impact on teacher professional standards.

• The challenges of direct benefit transfer and the problems with the arms' length method of money flow, implemented over the last 5 to 6 years, were visible. As a school Principal described it, the present system, which bypasses the school, has brought in greater centralisation. "We are unaware of who is getting what, whether the money is coming to all children's accounts. We keep hearing from children that money has not come. But what can we do? There is no one at the district level, including the district education officer, whom we can approach for this." The lack of effective grievance redressal mechanisms for various entitlements and scholarships are crucial gaps in the system.

#### **Key Recommendations**

The following recommendations provide direction for greater *adequacy*, *effectiveness and equity of spending* on school education.

#### **Adequacy**

- ❖ Bihar needs a big push to raise the existing level of expenditure on school education. The state must prioritize education, and school education, in its spending programmes. However, given the low revenue base of Bihar, the state on its own can raise expenditure only to a limited extent. A special package of well-designed central assistance for Bihar, tied to the idea of equalisation, should be worked out for the state.
- ❖ This would ease the supply-constrained situation observed across all schemes and dimensions of school education. For instance, filling various gaps in minimum facilities that RTE lays down is crucial. Budgetary announcement (2021-2) on recruitment of teachers and principals should become the *policy in practice*, and to enable that additional resources are necessary. Filling teacher gaps is the most crucial aspect and must be done with professionalism to help rebuild the trust deficit among teachers. Not only will hiring teachers, other staff, and faculties and expanding capital projects benefit school education, but they will also create additional jobs, which will have a multiplier effect on the local economy as it recovers.
- ❖ Similarly, the announcement in Bihar's budget (2021-2) on information and communication technology (ICT) expansion in schools is not backed by adequate allocations. ICT investments are conspicuously absent from the Bihar budget on school education. Schools need ICT labs. Also, the gendered patterns of ownership of devices have emerged as an issue, which needs to be addressed through investments in public digital infrastructure, among other things.

#### **Effectiveness of spending**

- ✓ Decentralised mechanisms that provide sovereignty and flexibility to the state in the various centrally sponsored schemes (with suitable checks and balances) will raise utilisation of funds and ensure that the funds meet the critical gaps.
- ✓ Schools need to be empowered through decentralised mechanisms and proper resourcing. Rather than creating remote, centralised, and complicated systems, more resources and power should flow to schools in terms of untied grants and proper staff strength so that teacher teams may function effectively. Our conversation with teachers and bureaucrats makes it clear that schools cannot be bypassed in the money flows since these are the nearest point of contact for the users.
- ✓ On scholarships, there needs to be a proper information system, help desks for assistance to students in filing applications, simple and accessible helplines, and

- grievance redressal mechanisms. For greater predictability of flows a time-bound calendar must be implemented. The pending money due to the students should be released at the earliest.
- ✓ There is a need to return to the former system of distribution of textbooks and uniforms. DBT for school uniforms should not be tied to attendance criteria.
- ✓ Implementation and evaluation must go hand in hand. Systems of social audits, internal audits, and administrative redressal mechanisms are necessary steps in this direction.

#### **Equity**

- ➤ Rights-based scholarships for marginalised social groups must take precedence when it comes to allocation of budget. These schemes, by definition, ought to be demand based. There is a need for transparent and timebound mechanisms, which are accountable to the stakeholders, and, preferably, a legal framework to protect the interests of the marginalised students.
- ➤ KGBVs, an important scheme for inclusion of girls from marginalised communities, needs a range of interventions and therefore proper budgetary support. The state has reportedly found it difficult to operate secondary classes in KGBV. The State is also demanding from the union government construction costs as per the latest schedule of rates on the pending civil works for KGBVs, whereas the GoI expects Bihar to finance the additional cost from the state's resources.
- There is a need for a multi-pronged approach to address the issue of OSC, including those at risk of dropout. This could include measures such as additional financial assistance to children from the most vulnerable groups that could be tied to minimum attendance. It can be of an order that covers the direct costs/opportunity costs of schooling and entails a regular flow of money. Plus, the existing incentive and entitlement programmes must be implemented. The unit cost of special training for OSC under the SMSA needs to be raised to a more adequate level to ensure that the training is substantive and meaningful. Going forward, building back stronger needs to be the mission so that educational inequality in the country does not widen further.

#### I. Introduction

The COVID-19 pandemic has had a profound impact on people's health and well-being, education and learning, livelihood, and the economy, affecting especially the most marginalized and vulnerable groups. Reports indicate that nearly 1.6 billion learners in more than 190 countries, or 94% of the world's student population, were affected by school closures at the peak of the crisis.<sup>2</sup> India, a low-middle income country with a massive school-age population, went through the fourth longest school closure spanning more than 500 days.<sup>3</sup> It has resulted in unprecedented setbacks in children's lives and their educational and overall development. It has reversed years of hard-earned achievements.

A survey of nearly 1,400 school children in underprivileged households brings out the catastrophic consequences of the prolonged school closure in the last year and a half, and the myth of online education.<sup>4</sup> In rural areas, only 8% of the sample children are studying online regularly, and 37% are not studying at all. About half of the surveyed children are unable to read more than a few words, indicating a sharp dip in basic literacy. The figures are much worse for Dalit and Adivasi families than for others. Only 4% of rural SC/ST children are studying online regularly, compared with 15% among other rural children. The results might be shocking but not completely unexpected. In the academic year that ended with school closures due to COVID-19, only 22% of schools in India had internet facilities (UDISE, 2019-20). Among government schools, less than 12% had internet in 2019-20, and less than 30% had functional computer facilities. Less than a quarter of Indian households owned a smartphone, with internet coverage much lower and unreliable in rural areas.<sup>5</sup> Again, these numbers are worse in the poorer regions and among marginalised communities. The pandemic has widened the pre-existing education disparities by reducing the opportunities for poor and marginalised children.

Students have been forced to prioritise survival over studies. More than 30,000 children have been orphaned or lost one parent as per the National Commission for Protection of Child Rights (NCPCR).<sup>6</sup> The economic slowdown and the rise in poverty have added to children's vulnerability. When the pandemic hit, the Indian economy was already experiencing a prolonged slowdown.<sup>7</sup> The pandemic increased informality and led to a severe decline in earnings for the majority of workers, resulting in a sharp rise in poverty.<sup>8</sup> Households had to adopt various coping strategies such as reducing food intake, borrowing, selling assets, and taking up manual work. All these have affected the children in multiple ways, physically, mentally, and emotionally.

Across the world, the State's response to the pandemic has played an important role in the way people have experienced and coped with it. International comparisons show for most high-income countries additional financing for education has been provided. There has also been increased government support to households through conditional cash transfers and scholarships. Countries with high human development indicators have been able to limit the

<sup>3</sup> UNESCO (2021)

<sup>&</sup>lt;sup>2</sup> UN (2020)

<sup>&</sup>lt;sup>4</sup> Bakhla et al (2021)

<sup>&</sup>lt;sup>5</sup> MoSPI, 2019 cited in Kundu and Sonawane (2020)

<sup>&</sup>lt;sup>6</sup> Over 30,000 children affected due to Covid pandemic: Child rights body tells supreme court. (2021, June 7). *Press Trust of India*. <a href="https://www.ndtv.com/india-news/over-30-000-children-orphaned-lost-a-parent-or-abandoned-due-to-covi-19-child-rights-body-ncpcr-tells-supreme-court-2458398">https://www.ndtv.com/india-news/over-30-000-children-orphaned-lost-a-parent-or-abandoned-due-to-covi-19-child-rights-body-ncpcr-tells-supreme-court-2458398</a>

<sup>&</sup>lt;sup>7</sup> Dasgupta (2020)

<sup>&</sup>lt;sup>8</sup> Azim Premji University (2021)

<sup>&</sup>lt;sup>9</sup> UNESCO, UNICEF and the World Bank (2020).

In contrast, the financing of education could face major challenges, exacerbating massive pre-COVID-19 education funding gaps in low-income countries. As per UNESCO (2020) estimates, the annual funding gap to meet the SDG-4 to ensure inclusive and quality education for all by 2030 in low and lower-middle-income countries stood at US\$148 billion annually projected in 2020 (pre-Covid). This financing gap has gone up significantly. By the second quarter of 2020, estimates were suggesting that the financing gap for low-income countries and lower-middle-income countries could increase by up to one-third. With nearly two years of disruption in schooling, the financing gap would have risen by a much larger extent. An important message from UNESCO's policy paper is that investing now in remedial and reenrolment programs could reduce additional costs by as much as 75%. Taking early action could help to prevent the worst outcomes from emerging.

#### The Key Questions and Framework for Analysis

This report critically analyses the gaps in the public financing of school education by the Union government, followed by an analysis of Bihar. While the Covid-19 pandemic is the entry point, it looks at the structural issues of public provisioning of school education, as the pandemic brings into relief these pre-existing gaps. The issues are discussed within specific contexts of the lived reality of the stakeholders, rather than only as quantitative analysis of budgets. In addition to the macro budgetary perspective, the analysis integrates issues that emerged from the field, narrated through the experiences of government school teachers, students and members of civil society. These voices describe the experiences and problems in the design and implementation of the policies and programmes and their financing. There needs to be a deliberative element in policy making and the view from below has an essential role to play. Field-based observations may interrogate the macro narratives and the overall budgetary trend, which are important reasons to integrate the field component and the view from the bottom.

The key questions raised are: What were the pre-existing gaps? What happened to school education expenditure and its components during the pandemic? How well did the state protect the education of the marginalised children? How well were the existing systems able to adapt to the new conditions? And, finally, what is the way forward?

Two kinds of policies/ schemes - generic schemes (tied to the objective of equality of opportunity for all) and those that cater to specific groups to compensate for their disadvantages and discriminations, past and present, constitute the framework of analysis. The focus is on issues of adequacy, equity and effectiveness of expenditures.

Education falls under the concurrent list and is a joint responsibility of the union government (GoI/centre) and the state governments (or simply, state). The major part of the expenditure on education is incurred by the state governments, and each state designs its policies based on its specific priorities and conditions. The budget for education, however, would be determined by

<sup>&</sup>lt;sup>10</sup> For instance, during the second quarter of 2020, 86% of children in primary education have been effectively out of school in countries with low human development – compared with just 20% in countries with very high human development United Nations (2020).

<sup>&</sup>lt;sup>11</sup> The revised estimate in UNESCO (2020) is based on cost escalation on four alleviation strategies: (i) remediation to address the laws of learning especially for disadvantaged students who were more likely to lack the means to follow classes from a distance or to have an appropriate learning environment at home; (ii) reenrolment strategies consisting of national campaigns and incentive targeted at encouraging marginalised students to return to school and higher more public school teachers to observe students leaving private schools while keeping the Pupil teacher ratio constant; (iii) second chance education solutions for those who may not return to school; and (iv) new infrastructure and equipment in schools and classrooms to be able to function in line with Public Health protocols.

the policies implemented by both levels of government, which makes it essential to begin with the central budget. This is especially true for a state like Bihar. Thus, the approach adopted for this study is to analyse public financing of education at three levels - the union government, the state government, and the frontline workers and users, involving the students, teachers, and school administration. By juxtaposing three levels, some important aspects can be observed that are left out of a more macro-analysis.

Three essential aspects of the analysis involve: (i) review of budgetary allocations and other macro-data/ research; (ii) relevant experiences of teachers and other respondents/ own observations from the field/ data from teacher surveys; and (iii) recommended action points.

The major domains of focus here are: teachers, infrastructure and schools; out-of-school children; scholarships and inclusion; mid-day meals; digital infrastructure; entitlements, DBT and fund flows, etc. A caveat is in order here. We do not claim the that analysis presented here cover all the relevant issues, or that the issues raised here as the only valid selection possible. Many important areas have not been covered such as the education of special needs children, who are particularly affected by the pandemic, or the crucial sector of teacher training. The workings of the SMC as a governance instrument on the one hand and a tool of democratic participation on the other have not been studied. The issue of learning gaps has only been touched upon. We invite more rigorous treatment of the issues flagged in this research, in addition to many areas that were left out. Also, the emphasis on gaps is not to undermine some of the improvements that are taking place, but to draw attention to the areas that need the right kind of policy focus.

The rest of the report is organised into five sections. Section II reviews the trends in the school education budget of the union government over the last few years up to the most recent budget, 2021-2. Section III sketches the broad trends in school education in Bihar and emphasizes the low levels of present expenditure and the financing gap (pre-pandemic) in education. Section IV zooms in on specific schemes and issues relevant to the covid context and integral to children's RTE. It includes a detailed discussion of the scholarship schemes, an essential part of the compensatory policies of the state and crucial for the continuation of education of students from marginalised communities. This is followed in Section V by the presentation of evidence from the field in Bihar, collected between November/December 2021. The purpose of this report is not only to hold up to scrutiny the present trends and patterns in the public financing of school education but also to come up with policy recommendations. These are posed alongside the analysis and summarised in Sections II and VI for the Union government and the state of Bihar, respectively.

# II. Recent trends in Public Expenditure on School Education by the Union Government

India's poor track record on educational spending is well-known. Despite the clear-cut target of 6% of GDP provided by the Kothari Commission (1966), spending on education remained between 3-4%, indicating decades of underspending. All states together were spending 2.8% of GDP on education with the centre adding 1% of GDP by 2013-14, adding up to a total of 3.8% of GDP. The Right to Education Act (2009) didn't bring any major change in this pattern of underspending.

#### II.1 Contractionary trends in central spending in the years leading up to the pandemic

Before discussing the shifts that the pandemic brought, it is useful to indicate the major trends in central/union finances for school education in the last decade or so. National policy on education (1986) had brought in its wake a greater role of the centre in financing

education. Central involvement took the form of major centrally sponsored schemes (CSS) mainly focused on elementary education and then gradually extending to entire school education. Central grants helped the states, especially the poorer states, to augment their resource base and increase expenditure on education. Over the last decade (2010s), there has been a reversal of this trend. The share of central spending in overall spending on school education is falling. This trend can be described as reversal of financial concurrency. The centre has increasingly pushed the expenditure on school education on to the states, rather than financing it concurrently. This reversal of financial concurrency between the centre and the states is one of the defining characteristics of the recent period.

Tables 1A and 1B present the allocation of various schemes of the GoI, between 2015-16 and 2021-2. Table 1A covers generic schemes and Table 1B covers schemes addressing the education of marginalised communities, as part of the compensatory policies of the government.

Table 1A: Allocations on School Education by the GoI (in Rs crores)

Schemes	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 (BE)	2020-21	2021-22 (BE)
Samagra Shiksha Abhiyan					32,377	38,751	27,834	31,050
Sarva Shiksha Abhiyan	21,661	21,685	23,484	25,616				
Rashtriya Madhyamik Shiksha Abhiyan	3,563	3,698	4,033	3,399				
Teachers Training and Adult Education	916	817	691	422		110	89	250
MDM	9,145	9,475	9,092	9,514	9,699	11,000	12,878	11,500
National Means cum Merit Scholarship Scheme	127	39	265	319	331	373	321	350
SUM	35412	35714	37565	39270	42407	50234	41122	43150
Percentage increase on the previous year		0.9%	5.2%	4.5%	8.0%		-3.0%	-14.1% <sup>@</sup>

Source: Union Budget, GoI.

Note: The above doesn't include the expenditure on central sector schemes on school education, eg. Kendriya Vidyalaya and Navodaya schools, etc. which are a limited set of institutions catering to niche segment. The objective here is to see the trends in central allocations on schooling for the masses.

@ Change over previous year, BE.

<sup>&</sup>lt;sup>12</sup> A shift in policy on centre-state transfers has contributed to the centre reducing its share in the financing of education. The larger share of tax devolution for the states as recommended by the 14<sup>th</sup> Finance Commission (GoI, 2014) brought about a drastic change in the perspective on the centre's role in financing education. Since the states now had a higher share of tax devolution, it was argued that the they would spend on education on their own and the centre could gradually withdraw from its financing role. Considerations about the states' track record on educational spending and the complexities of competing priorities were pushed aside (See Bose et al 2020b, 2022)

Table 1B: Allocations on School Education by GoI: Schemes targeting Education of the Marginalised Sections\* (in Rs crores)

	-16	-17	-18	-19	-20	-21	-21	-22
Schemes	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 (BE)	2020-21	2021-22 (BE)
National Scheme for incentive to girl child for Secondary Education	154	45	292	165	9	110	0.17	1
Umbrella Programme for Development of Minorities	296	109	108	18	71	220	214	-
Pre-Matric Scholarships for minorities	1,016	369	1,026	1,176	1,325	1,330	1,325	1,378
Post Matric Scholarships for minorities*	553	287	480	355	429	535	513	468
Pre-Matric Scholarships for ST			294	312	440	400	249	400
Post Matric Scholarships for ST*	1,173 <sup>\$</sup>	1,660 <sup>\$</sup>	1,464	1,648	1,863	1,900	1,830	1,993
Pre-Matric Scholarships for SC students	525	507	63	116	353	700	570	725
Pre-Matric scholarship for children of those involved in unclean occupations	2	2	-	3	29	25	27	-
Post Matric Scholarship for SC*	2,214	2,799	3,414	5,928	2,711	2,987	4,010	3415
Pre-Matric Scholarship for OBC	121	129	128	122	201	250	166	250
Post Matric Scholarship for OBC*	823	876	830	1,000	1,299	1,415	1,159	1300
Post-Matric Scholarship to students with disabilities	3	10	15					-
Eklavya Model Residential Schools					16	1313	1200	1418
SUM	5707	5133	8114	10825	8746	11185	11263	11348
Percentage increase on the previous year		-10.1%	58.1%	33.4%	-19.2%		28.8%	1.5% @
Total (Table 1 A and 1B)	41121	40849	45689	50094	51153	61419	52385	54498

Source: Union Budget, GoI.

Note: \$ This amount also includes expenditure on ashram schools, girls' and boys' hostels and vocational training. \* This scheme straddles school and higher education, and cannot be separated. @ Change over previous year, BE.

Stagnation in expenditure is particularly evident in the generic schemes, which have seen an overall annual increase varying between 1%-8% between 2015-20 (Table 1A). The allocation on Sarva Shiksha Abhiyaan (SSA) – the main programme for implementation of the Right to Education (RTE) – has suffered from stagnant allocations, occasional declines, or marginal increases at best, in nominal terms. The same stagnation of expenditure is visible for the mid-day meals (MDM). The latter has played a significant role in increasing enrolment, improving attendance in the schools at the same time, providing nutritional security to children. The umbrella Samagra Shiksha Abhiyan (SMSA) born out of merging several other schemes – SSA, Rashtriya Madhyamik Shiksha Abhiyan (RMSA), and Strengthening of Teacher Training Institutions - is the key scheme, since 2018, for providing holistic school education from preschool to the senior secondary level. It has remained underfunded from its very inception. The period since 2015-16, has also witnessed a consistent decline in teacher training and adult education budgets.

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<sup>&</sup>lt;sup>13</sup> Nutritional support to children by way of meals at Aanganwadi centres and government schools is mandated under Section 5 of the National Food Security Act, 2013.

<sup>&</sup>lt;sup>14</sup> Kundu, P. (2019)

#### II.2 Inadequacy of spending and the need for central assistance

There has been a strong case for increasing the central spending on school education substantially. RTE provides every child in the 6-14 age group a Constitutional guarantee to formal schooling which fulfils certain essential norms. To what extent and how adequately the State and its institutions fulfil the obligations, depends crucially, on the budgetary policies on education. A study by Bose et al (2020) estimated that the additional resource requirement for fulfilling the RTE is above 1.4% of GDP.<sup>15</sup> Actual expenditure is alarmingly low in many states, compared to the normative requirement. This manifests in shortfalls/ gaps. ranging from small to very large, in the facilities required for school education, such as schools at an accessible distance, trained and qualified teachers, administrative machinery, classrooms and other infrastructure. Through a stock-taking of every government school in India and accounting for children who are out of schools, the study estimated the additional resources needed. Not only is the gap between the needed spending and the actual spending very large, the gaps are also located in states that have very low resource base, such as Bihar as we shall see in Section III.1. An obvious solution to the inadequacy in spending and unequal spending capacities across states is for the centre to step in, to provide the additional resources to poorer states, such that there can be adequate expansion and improvements in the public school system across the country. The idea of centrally sponsored schemes is to feed into this transformation of the school system in the states through additional resources from the centre.

As the discussion in Section II.1 indicates, this desired expansion of central spending did not materialise. Rather the expenditure on CSSs was curtailed. Naturally, this expenditure strategy had to be accompanied by policies such as continuing use of contract and guest teachers in schools, non-filling of teacher vacancies and persistence of infrastructure deficits over the years, etc. In addition, policy of school mergers and consolidation has meant that the public education sector at the school level is shrinking (see Box 1), while the private sector is expanding. These policies were adopted by the states with the Centre implicitly/ explicitly being a partner to it. The implication is that the financing gap or the gap between what needs to be spent for, say, ensuring RTE and the actual spending was wide and rising even before the pandemic.

#### Box 1: Contraction in the number of government schools: Whither access?

The recent decade (2010s) saw mergers and closures of a large number of government schools (GSs), in many Indian states. Between, 2015-16 and 2021-2, the number of government schools declined by nearly 83,000 in India. The reason for closure/merger is the supposed cost inefficiency due to low pupil-teacher ratios (PTRs). Mergers of schools took place in the name of rationalization of staff, 'mainstreaming' of children, enhancing quality, putting monitoring and supervision of schools in order, improving PTR, and providing better learning environments for children (GoI, 2017). National Education Policy (GoI, 2020) upholds the policy on school rationalisation and the creation of school complexes where resources are "shared" to ensure maximum utilisation. A corollary of this trend is the lack of access criteria in GoI's guidelines for Samagra Shiksha Abhiyaan.

<sup>16</sup> Net figure is 82,769 (UDISE). 18 states including UTs reported a decline in the number of schools. A small part of the decline is due to merger of school administration such as CM-RISE in Madhya Pradesh.

<sup>&</sup>lt;sup>15</sup> The estimates differ according to the scenarios (refer to Chapter 4, Bose et al, 2020).

<sup>&</sup>lt;sup>17</sup> Govt looks at location-specific mergers of 260,000 schools to utilize resources. (2017, July 27). *Mint*. <a href="https://www.livemint.com/Education/K3Fgbf1GDrptRvqo0OKFTM/Govt-looks-at-locationspecific-mergers-of-260000-schools-t.html">https://www.livemint.com/Education/K3Fgbf1GDrptRvqo0OKFTM/Govt-looks-at-locationspecific-mergers-of-260000-schools-t.html</a>

While the problem of fragmented demand may be true in certain contexts, serious problems of exclusions due to school mergers have emerged, in many others. In a study of three states - Odisha, Telangana, and Rajasthan by Rao et al (2017) it emerged that school mergers severely limit the schooling opportunities among the communities living in difficult-to-reach geographies and push children out of school. <sup>18</sup> It pushes up several times the private costs, time taken to reach school, and the physical risks to children. The impact of school closure falls disproportionately on marginalised communities in general, girls and younger children, in particular, as they are unable to access the schools that are at a distance. The data collected from merged schools confirms the disturbing truth about many children being pushed out (school dropouts) due to school mergers. <sup>19</sup>

Taking a long-term view enables one to see the actual reasons behind the small school phenomenon. The reason for the low enrolments, as several studies underline, lies in the failure of the state to appoint a minimum number of teachers and to ensure the functionality of the public schools. "A vicious cycle of single/two classroom and/or single/double teacher schools turning into so-called 'zero' or 'low' enrolment schools eventually led to the closure/merger of such schools."<sup>20</sup>

It is important to bring up the issue of school mergers and its implications as the pandemic has imposed severe economic hardships and raised vulnerabilities where many more parents find it impossible to afford low-fee private schools (LFPSs). In any case, LFPS s were never an equitable solution, and it is not surprising that the pandemic has brought in its wake an increased demand for public schools. Between, 2019-20 and 2021-2, the enrolment in GSs increased by 7.5%, all-India or 1.17 crore children took fresh admissions. Some states such as Rajasthan and Haryana saw growth in enrolments between 16-22%. Many parents facing adverse employment and income situation can no longer afford private schools. They are forced to turn to public schools, which requires a public policy response. Access to public schools needs to be restored and strengthened. This would mean addressing resource gaps, including system-level gaps, and improving school functionality. It requires a step up in public expenditure to close the financing gaps, as argued earlier, instead of shrinking the public sector.

#### II.3 Compensatory schemes and the Union Budget

If we look at the schemes targeting the inclusion of children from marginalised groups (Table 1B), the picture is not very different. It may be noted here that expenditure on scholarships often includes previous years arrears, which explains the very high year to year fluctuations.

For students from marginalised groups and other low-income groups, the financial costs of education are insurmountable. Because of historical exclusion, there is already a large difference in the educational achievements (plus cultural capital, social networks, and economic capacities) of the marginalised groups in comparison to the rest of the population, which persists in surprisingly large measure till today. Despite special provisions in the Indian Constitution (Article 46), the gap between the upper castes and the marginalised groups remains very significant. For the marginalised communities, financial resources prove a major bottleneck and are one of the key factors responsible for their higher dropout rates. Even though the RTE Act (2009) mandates compulsory and free education, education is hardly free even at the elementary level, and costs increase progressively in higher grades. State scholarships,

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<sup>&</sup>lt;sup>18</sup> Rao et al (2017)

<sup>&</sup>lt;sup>19</sup> On the dropout question, also see Pankaj et al (2019)

<sup>&</sup>lt;sup>20</sup> Rao et al (2017) p. 26.

<sup>&</sup>lt;sup>21</sup> Srivastava (2013). Bose et al (2020c)

<sup>&</sup>lt;sup>22</sup> Deshpande (2013)

along with well-functioning public school systems, which have a crucial role in raising enrolment and completion of education also work as a social safety net during the pandemic.

The GoI's allocations on scholarships perpetually lagged the growing demand. The allocations on scholarships remained severely fund-limited. National Scheme for incentive to girl child for Secondary Education - a scholarship programme for girls belonging to SC/ST communities in secondary schools - was discontinued from 2019-20.<sup>23</sup> The Parliamentary Standing Committee Report on Demand for Grants (2018-19) of the Department of Social Justice & Empowerment observed that funds allocated every year for Post-matric scholarships for SCs are substantially lower than the amount demanded. The average demand for central assistance from states/UTs is approximately Rs 4500-5000 crore per annum (2018-19), which remains unfulfilled. <sup>24</sup> Similarly, in 2018-19, the Ministry of Minority Affairs received 7.3 million fresh applications and 3.5 million applications for the renewal of existing pre-matric scholarships from students belonging to minority communities. The scholarship was disbursed to 2.9 million fresh applicants (40%) and 2.7 million (77%) renewals.<sup>25</sup> It betrays the resource-constrained nature of education financing. States have been demanding the release of funds for pre-matric and post-matric scholarships and there has been a mounting backlog of arrears on various scholarships.<sup>26,27</sup> More recently (2019-20 onwards), there's been a change in the guidelines for fund-sharing between centre-states in several of the scholarship schemes, after realising that the states were bearing most of the burden of expenditure. <sup>28</sup> The total funds demanded under the scheme would henceforth be shared between the centre and the respective state in a 60:40 ratio (90:10 for special category states) rather than the previous arrangement of committed liability for the states, and additional central assistance by the Centre.<sup>29</sup> The allocations, however, do not reflect, a substantial step up commensurate with the enhanced role of the centre. One has to wait and watch to what extent this would resolve the problem of demand and supply mismatch of public resources for scholarships, an intervention that is central to the continuation of education of students from marginalised groups.

#### II.4 The 2021-2 union budget: What does it Bring?

Coming on the back of a decelerating trend in educational spending, **the pandemic saw steep cuts in the flagship Samagra Shiksha Abhiyan scheme.** The lack of priority to education was visible from the beginning of 2020-1, when education was placed in category C, the lowest priority among the various sectors, by the central Ministry.<sup>30</sup> The sector was largely ignored in the *Atma-nirbhar* package of fiscal stimulus for the economy. The Parliamentary Standing Committee on Human Resource Development (2020) noted that the Department of School

<sup>&</sup>lt;sup>23</sup> The objective of the scheme was to establish an enabling environment to promote enrolment and reduce drop out of girls belonging to SC/ST communities in secondary schools and ensure their retention up to the 18 years of age, though a scholarship programme.

Mohanty, B.K. (2021, May 17). Cloud over scholarship for SC-ST schoolgirls. *The Telegraph online*. <a href="https://www.telegraphindia.com/india/cloud-over-scholarship-for-dalit-scheduled-caste-and-scheduled-tribe-schoolgirls/cid/1815820">https://www.telegraphindia.com/india/cloud-over-scholarship-for-dalit-scheduled-caste-and-scheduled-tribe-schoolgirls/cid/1815820</a>

<sup>&</sup>lt;sup>24</sup>Pallical, B. (2020, November 9). Bihar: Is Education for the Marginalised an Election Issue? *The Wire*. https://thewire.in/rights/bihar-post-matric-scholarship-election-education-marginalised

<sup>&</sup>lt;sup>25</sup> Pre-Matric 0.pdf (minorityaffairs.gov.in)

<sup>&</sup>lt;sup>26</sup> https://eparlib.nic.in/bitstream/123456789/751252/1/6241.pdf

 $<sup>^{27} \</sup>overline{\text{CAG}} (2018)$ 

<sup>&</sup>lt;sup>28</sup> See recent guidelines, https://socialjustice.nic.in/writereaddata/UploadFile/Scm\_guidelines\_06092019.pdf

<sup>&</sup>lt;sup>29</sup> See Changes in Post Matric Scholarship Scheme for SC Students https://pib.gov.in/Pressreleaseshare.aspx?PRID=1705424

<sup>&</sup>lt;sup>30</sup> Vishnoi, A. (2020, April 9). Covid-19 crisis: Spending curbs on ministries. *The Economic Times*. <a href="https://economictimes.indiatimes.com/news/politics-and-nation/spending-curbs-on-ministries/articleshow/75054562.cms">https://economictimes.indiatimes.com/news/politics-and-nation/spending-curbs-on-ministries/articleshow/75054562.cms</a>.

Education and Literacy had been allocated 28% less than what the Ministry had proposed in 2020-21.<sup>31</sup> Among all the CSSs across sectors, the highest reduction in allocation, was therefore for SMSA in 2020-1 (reduction of Rs 10,794 crore from the budget stage). In 2021-2 there has been further reinforcement of the declining trend in the allocation for school education. SMSA budget is lower by a massive Rs 8000 crore in 2021-22, BE, compared to 2020-1, BE (Table 1A).

There was an increase in allocations on MDM, during the first year of the pandemic. Cooking cost (on procurement of pulses, vegetables, oil, spices, and fuel) under the MDM was revised upwards. Central allocation on cooking costs for MDM increased from Rs 7,300 crore to Rs 8,100 crore in 2020-1.<sup>32</sup> However, this did not sustain. In 2021-2, the budgeted figure is lower than the previous year's expenditure, reflecting the lack of priority to the sector.

Expenditure on schemes targeting education of the marginalised communities increased during 2020-1 compared to 2019-20 (Table 1B). The expenditure in 2020-1 is also marginally higher than budgeted estimate. Similarly, there is an incremental increase in 2021-2 budget, barring some important schemes. Though these schemes did not suffer from the steep cuts as Samagra Shiksha Abhiyaan, the allocations cannot be considered adequate. The situation demanded a substantial step up in allocation on scholarship schemes during the pandemic, as social safety nets for the disadvantaged groups. It is also important that the money reaches the intended beneficiary on time, through effective implementation of the schemes, which is not the case (See Box 2).

## Box 2: Non-payment or Delayed Payment of Post-matric scholarships (PMS)

The National Council for Dalit human rights (NCDHR) surveyed more than 10,000 students from marginalised communities pursuing higher education, across six Indian states during the Covid-19 pandemic. The 2020/2021 survey brings up the problems with the financing and institutional delivery of PMS for SCs. The study finds that as many as 48% of students had not received the scholarship amount in 2020-1. Among those who received the scholarship money, only 31% had received it on a timely basis. Mere 27% have filed a complaint regarding the delay in the disbursement of their scholarship. More than 50% of all respondents said they did not know whom to reach out to in the government regarding the information on the scholarship.

A growing demand to raise the allocations on these schemes can be heard among the youth.<sup>33</sup> 89% of the overall respondents and 97% of youth in the age group of 18-24 from the SC community sought an increased allocation for scholarships for Dalits, Adivasis, minorities, and women for their education and skill development. 85% of the Muslim youth between the age of 18-24 also demanded it.

Article 46 of the Indian Constitution specifically directs that the State shall promote with special care, the educational and economic interests of the Scheduled Castes and Scheduled Tribes. And shall protect them from social injustice and all forms of exploitation. **There is a need to deliver on these Constitutionally guaranteed entitlements.** 

<sup>&</sup>lt;sup>31</sup> The Committee recommended additional funds for the CSSs and central sector schemes. However, at the revised stage, the budget for CSSs has reduced from Rs 50,081 crore to Rs 41,400 crore GoI (2020b).

<sup>&</sup>lt;sup>32</sup> Revision of cooking cost @ 10.99% w.e.f. 01.04.2020 during 2020-21 under Mid-Day Meal in Schools <a href="http://mdm.nic.in/mdm">http://mdm.nic.in/mdm</a> website/Files/Cooking Cost Revision/Revision%20%20of%20Cooking%20Cost 14Ap <a href="mailto:ril2020.pdf">ril2020.pdf</a>

<sup>&</sup>lt;sup>33</sup> Taneja and Noopur (2022).

#### II.5 The way forward for central finances for school education

To recap, we have seen that the pandemic period witnessed a further downward push to central expenditure on school education which was already growing little before the pandemic. There were contractionary policies underway, with stagnation in expenditure on major flagship schemes. Scholarship schemes were wrestling with shortages and supply bottlenecks. The pandemic accentuated these tendencies. While the scholarship schemes were spared severe cuts unlike what was witnessed for SMSA, the GoI did not use the opportunity to provide a stimulus and safety net for the marginalised groups, through these schemes. It was business as usual. The budgetary trends at the central level will have a manifold impact on the states, especially on the poor and educationally lagging states, like Bihar with high dependence on central allocations, as we shall see in the following sections.

- (1) Going forward, it is important that the union government rethinks its contractionary strategy on school education and instead accords the needed priority to this sector. It would need restoration of financial concurrency and improved allocations on CSSs.
- (2) A roadmap for RTE and the implementation of the roadmap are essential.
- (3) More resources need to go to the lagging regions of the country, preferably with minimum conditionalities.
- (4) There is an immediate need to revisit the policy on school rationalisation. Instead, necessary investments for expansion of public schooling are suggested. The reverse flow of enrolments into the GSs needs to be consolidated and not be dismissed as a pandemic effect.
- (5) n terms of compensatory schemes, adequate allocations on scholarships are essential to match the growing demand for education from marginalised sections and make the recovery from the pandemic less difficult.
- (6) Implementation issues in fund flows abound and need a proper policy response (discussed further in the report). There is a need to deliver on these Constitutionally guaranteed entitlements.
- (7) Finally, the development of public digital infrastructure another gap revealed by the pandemic would need investments in line with public aims of education (Box 3).

### **Box 3: Investments for digital education**

The widening inequalities because of the digital divide in the education sector, along with the increased risk of dropout, require special measures, which are largely absent. The digital education space has seen a great deal of private sector activity picking up in the last two years. The global Edtech giants have swiftly moved into the large Indian market.<sup>34</sup> The pandemic is forcing education institutions and school systems towards digital and online education, amid the hype about the potential of digital technologies to "breakthrough" the physical school model. This space needs urgent regulation to preserve the public good nature of education, and to ensure that the digital content and its delivery are in line with the broader aims of education.

Universalising digital education must be an ongoing systemic program of the government to improve the educational prospects of all students over the long term.<sup>35</sup> A study by IT for change and Tata trusts (2019) presents the required investments for an effective program for

<sup>34</sup> Kashinathan, G. (2021, July 12). Online education is not the solution. *Deccan Herald*. https://www.deccanherald.com/opinion/in-perspective/online-education-is-not-the-solution-1007921.html

<sup>&</sup>lt;sup>35</sup> Kasinathan and Dasarathy (2022)

ICT integration in school education comprising three components (i) establishing and maintaining the ICT infrastructure in schools and educational institutions (ii) teacher education to prepare them for this integration and (iii) thirdly establishing technology integration units in relevant educational institutions at National and state levels which would co-ordinate the process of ICT integration in education.<sup>36</sup> The study notes that donations of new and refurbished devices can complement public provisioning. Providing free internet connectivity to students is possible through 'zero rating'.<sup>37</sup> The government can install a free and open-source platform on its server and internet service providers can provide free connectivity on these connections. Teacher professional development related to ICT in education has to be an important arm of the design. In-house capacity for ICT education should be developed, rather than relying on private vendors.

### **III.** Understanding the State-level Position: Bihar

Bihar has the lowest Human Development Index (HDI) rank in India. HDI measures a state's performance along three dimensions: living a long and healthy life, being knowledgeable and educated, and having a decent standard of living. Bihar holds the poorest record by a wide margin. A staggering 51% of SCs and 56% of STs lived below the poverty line in the state (2011-12). The state has one of the lowest per capita incomes in the country. The GoI's recent report shows that Bihar has the highest proportion of people at 51.9% of its population, who are multidimensionally poor and eleven Bihar districts have a poverty ratio above 60%. The highest percentage of stunted children in India is still in Bihar, 42.9% (NFHS-5, 2020-1). This is not to say that there's been no progress. In the last few decades, Bihar has narrowed some of the glaring limitations of its development. The literacy rate increased from 47% in 2001 to 61.8% in 2011. Gender differences in literacy rate reduced from 26.7 % (2001) to 20.1% (2011). There have been important gains in enrolments and a decline in dropout rates (SDG Report for Bihar, 2018), though the problem of dropouts persists in huge measure, especially among marginalised communities. Many who make it to school from these communities often drop out in large numbers, as we shall see below.

#### **III.1** Financing of Education in Bihar: A Broad View

#### Low levels of per-child spending relative to other states

The per-child spending on school education indicates resource availability for each school-age child. While the per-child spending has increased over the years, Bihar continues to stagnate at

<sup>&</sup>lt;sup>36</sup> The cost estimates for the three components are as follows: For ICT infrastructure the initial investments required are Rs 63,762 crores and the recurring annual cost is Rs18,976 crores. This assumes 20 devices for high schools, 10 devices for upper primary schools and 3 devices for primary schools. For teacher professional development in the initial year, the investment required is Rs 3099 crores and Rs 1550 crores in subsequent years, whereas for technology integration units the initial investment is Rs 10 crores and recurring costs annually at Rs 20 crores (Kasinathan, 2019).

<sup>&</sup>lt;sup>37</sup> Zero-rating is the practice of providing Internet access without financial cost under certain conditions.

<sup>&</sup>lt;sup>38</sup> Radhakrishnan, V. & Singaravelu, N. (2020, October 9). How Bihar fares in various socio-economic indicators compared to other states. *The Hindu*. <a href="https://www.thehindu.com/data/data-how-bihar-fares-in-various-socio-economic-indicators-compared-to-other-states/article32744361.ece">https://www.thehindu.com/data/data-how-bihar-fares-in-various-socio-economic-indicators-compared-to-other-states/article32744361.ece</a>.

<sup>&</sup>lt;sup>39</sup> See Appendix Table A3 in Panagariya and More (2013) <a href="https://www.brlf.in/wp-content/uploads/2018/05/Poverty-by-Social-Religious-and-Economic-Groups-in-India.pdf">https://www.brlf.in/wp-content/uploads/2018/05/Poverty-by-Social-Religious-and-Economic-Groups-in-India.pdf</a>.

<sup>&</sup>lt;sup>40</sup> Over 50% Bihar poor in new index based on health, education, standard of living. (2021, November 27). *The Indian Express.* https://indianexpress.com/article/india/bihar-poor-nfh-survey-mpi-niti-aayog-7643708/

<sup>&</sup>lt;sup>41</sup> The percentage of stunted children in Bihar under age 5 decreased from 48 percent to 43 percent in the four years between NFHS-4 (2015-16) and NFHS-5 (2020-1). The percentage of underweight children decreased from 44 percent to 41 percent. However, in the same period, wasting increased from 21 percent to 23 percent.

the bottom, a long way below the average spending level of the major Indian States. Figure 1 provides the relative position of Bihar among the major Indian states, on per-child spending on school education (PCESE) between 2005-2020. 42 In 2018-19, PCESE in Bihar was less than Rs 5000, whereas it was close to Rs 24,000 in Kerala. The distance vis-à-vis states such as Kerala and Tamil Nadu at the top has only grown, as these educationally advanced states take advantage of their superior economic position, the declining fertility rate, and the high priority accorded to education consistently over decades. The people of Bihar suffer on all these counts. It is no surprise that states with higher public spending are generally the ones with higher education, empowerment and HDI.43

Maharashtra TN Kerala AP 15000 Per child expenditure on school education (real) (INR) Chhattisgarh Punjab Haryana Karnataka Gujarat Odisha Rajasthan 10000 Telangana WB MP Jharkhand UP 5000 Bihar

Figure 1: Per Child spending on School Education (in Rs)

Source: Bose et al (2022) based on CAG, Finance Accounts and UDISE. Notes The figures are in 2011-12 prices.

#### Gap vis-à-vis a normative Estimate

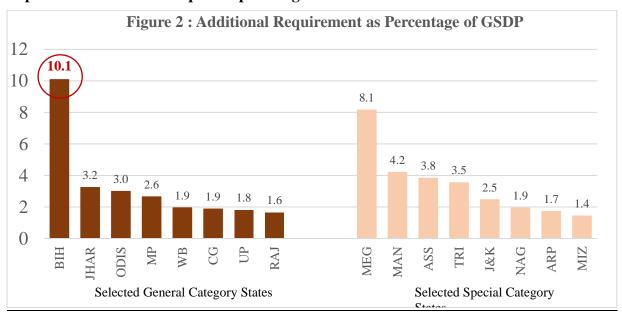
The gap in the financing of education appears even starker when we measure the distance between the present level of spending and what a norm-based expenditure on education would necessitate. Bose et al (2020) find that the actual expenditure in Bihar is only a fourth of the total expenditure required if one were to follow the RTE-compliant norms at the school level and also provide the requisite systemic resources that would ensure that the system delivers. 44 The cumulative underinvestment over decades means that Bihar must increase its spending by three times to meet the RTE requirements of a reasonable pupil-teacher ratio (PTR) norms, infrastructure norms, and having trained qualified teachers receiving a reasonable salary scale, among other things. The additional requirement for elementary education alone for Bihar is a whopping 10.1% of GSDP (Figure 2). Additional requirement is disproportionately high compared to the GSDP of the state. The study emphasizes the need for special central assistance for Bihar to overcome the resource gap, which should be

<sup>&</sup>lt;sup>42</sup> The depiction in Figure 1 is in real terms, which means that it is corrected for inflation.

<sup>&</sup>lt;sup>43</sup> Jha et al (2019).

<sup>&</sup>lt;sup>44</sup> Bose et al (2020).

substantial enough to cover the entire 10.1% of GSDP, and not mere tinkering at the margins. It argues that governance capacities cannot be used as a cover for non-funding and better implementation must be a part of planning.



Source: Bose et al (2020)

In 2007, the Report by the Common School Commission in Bihar had come up with a detailed design and roadmap of a common school system covering pre-primary to senior secondary level (GoB, 2007). The Committee calculated the financial requirements for the period 2008-9 to 2016-17, for the implementation of the Common School System on the lines suggested by the Kothari Commission in 1966, and integrated elements of the RTE Act. The estimated financial gap is broadly in a similar range as the more recent estimates for Bihar by Bose et al (2020).<sup>45</sup> For raising expenditure on education, the report again emphasises the need for Central assistance. 46 It also suggests reprioritization of Bihar government expenditure towards school education, tapping additional sources of revenues through a convergence of schemes, etc. The study clearly shows that the additional expenditure required for the common school system is feasible if the overall expenditure on education as a proportion of GDP can be raised to 6% and Bihar receives the share of that expenditure in proportion to its population. Though differing in detail, both studies recommend that Bihar needs a big push to raise the existing level of expenditure on school education, the additional funding has to come in the form of central assistance, in large part, and the level of expenditure to support the RTE and the common School system is feasible.

# Falling Priority to education during 2015-2020 (or the 14th Finance Commission period)

In the recent period (2015-20) has been a downward slide in priority to education spending in Bihar budget. The ratio of education spending to overall expenditure reveals the priority accorded to the sector in the budget. A benchmark followed worldwide is to allot 20% of the overall spending to education. At present Bihar devotes around 20% to educational spending,

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<sup>&</sup>lt;sup>45</sup> The estimates of the Common school system committee GoB (2007) cover the entire school system. The projected expenditure for 2015-16 as a proportion of the normative (what it ought to be), say for 2015-16 was 36.6% (p. 220).

<sup>&</sup>lt;sup>46</sup> The Commission recommends that "the Chief Minister of Bihar should go on a special mission …and seek the Central government's assistance for meeting at least 50 percent of the additional cost for the common school system. It should be impressed upon the Centre that what is at stake is the future of India as one nation and its place in the comity of nations." (GoB, 2007: p. 192).

which was much higher a decade back. <sup>47</sup> Similarly, **education expenditure as a percentage of GSDP fell from an average of 5.9% for 2005-2010 to an average of 5% for 2015-2020 period. In 2019-20 and 2020-1, education expenditure/GSDP fell below 5%** (Table 2). **It may be mentioned that the declining priority, in the recent years, is part of an all-India trend.** A similar pattern is observed for most states indicating that along with state-level factors, these are a result of macroeconomic policies - changes in fiscal policy, including tax reforms such as GST, expenditure policies of the government and intergovernmental transfer mechanisms. <sup>48</sup>

**Table 2: Education Expenditure Ratios for Bihar** 

	Education Expenditure/ GSDP (%)	Education Expenditure /Overall Expenditure (%)
2017-18	5.7	20.2
2018-19	5.7	20.5
2019-20	4.7	20.6
2020-21	4.5	17.8
2021-22 (RE)	6.8	20.9

Source: Finance Accounts, CAG, and State Budget, Government of Bihar.

Overall low levels of per-child spending, massive financing gaps, and a declining priority on education are trends that characterise the landscape of school education financing in Bihar.

#### **III.2** Where is the present level of underspending reflected?

#### **Teachers, Infrastructure and Schools**

There is an acute shortage of teachers in the state which makes a mockery of RTE norms. **Bihar has massive vacancies in teacher positions (at every level) and faculty positions at teacher education/ training institutes** (Box 4). Many announcements for recruitment by the Government of Bihar have not been followed in practice, whereas some of the recruitment drives have ended up in the High Court due to legal wranglings. Permanent posts of teachers have dwindled in favour of contractual appointments.<sup>49</sup> During the pandemic, delays in payment of salaries for up to several months and partial payment of salaries were reported.<sup>50</sup> As per news reports, there are around 4 lakh contractual school teachers in Bihar, locally known as *Niyojit Shikshak* whose primary demands are permanent appointment and equal pay scale.<sup>51</sup> They have struggled for their rights through strikes, demonstrations, and litigations. The state

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<sup>&</sup>lt;sup>47</sup> See Bose et al (2022)

<sup>&</sup>lt;sup>48</sup> The 14<sup>th</sup> FC recommended a higher share to states of tax devolution and a change in the composition of fiscal transfers from tied to untied grants. Added revenues to the states due to increased devolution has not translated to greater priority for education. For a detailed discussion and possible reasons, see Bose et al (2022).

<sup>&</sup>lt;sup>49</sup> Ray, U.K. (2021, June 11). Shortage of school teachers casts a cloud over Bihar Govt's policies. *The Alternate Opinion*. <a href="https://altlipi.com/impact/education/shortage-of-school-teachers-casts-a-cloud-over-bihar-govts-policies">https://altlipi.com/impact/education/shortage-of-school-teachers-casts-a-cloud-over-bihar-govts-policies</a>
<sup>50</sup> Many teachers, reportedly, lost their lives, one of the reasons cited being financial distress and inability to pay for private treatment at a time when the government facilities were overcrowded (May 2021). Delay and non-payment of salaries has been confirmed by the district officials, who have cited the absence of funds with the department as the reason.

Bhaskar, S. (2021, May 11). Bihar teachers in 2 districts die of Covid-19 amid financial crisis. *The Hindustan Times*. <a href="https://www.hindustantimes.com/cities/patna-news/bihar-teachers-in-2-districts-die-of-covid-19-amid-financial-crisis-101620728666426.html">https://www.hindustantimes.com/cities/patna-news/bihar-teachers-in-2-districts-die-of-covid-19-amid-financial-crisis-101620728666426.html</a>

<sup>&</sup>lt;sup>51</sup> Notably, in UDISE database for Bihar, almost all the teachers are reported as regular teachers

government improved some of the service conditions and provided occasional salary increases, but this was always short of equal work for equal pay.<sup>52</sup>

#### **Box 4: Teacher Vacancies in Bihar**

**Teacher vacancy at the Elementary level:** There are 2.27 lakh vacant posts of teachers/head teachers in government elementary schools. The number of single-teacher schools has increased at the primary level. The number of schools with adverse pupil teacher ratio (PTR) is high at 61.7 % and 70.5% at the primary and upper primary levels, respectively.

**Subject PTR at Elementary and Secondary level:** Only 8% of upper primary schools are having teachers for 3 core subjects as required by RTE norms. Subject PTR at the upper primary level is 282 for Language, 147 for Math/Science, and 387 for Social Studies. Only 29.2 % of secondary schools are having teachers for all core subjects. Subject PTR at the secondary level is 271 for Language, 552 for Math, 570 for science, and 410 for Social Studies

**Subject Teacher and Head Teacher vacancy at Secondary level:** There are 21480 vacant posts of subject teachers and 3929 vacant posts of head teachers in Govt. Secondary schools.

**Vacancy of academic positions in SCERT and DIETS:** There are 17 faculties in position as against a total sanctioned post of 45 in SCERT. Vacancy of academic positions in 33 functional DIETs is 52.37% with 393 faculties in position as against a total sanctioned post of 825 (25 Academic posts per DIET).

Source: SMSA PAB, 2021-2 (GoI, 2021).

The infrastructure position in schools in Bihar remains grim, despite some progress over the years.<sup>53</sup> As per the latest data (2021-2), classroom deficit (as a proportion of existing classrooms) is as high as 59.2%, and the teacher deficit (as a proportion of teachers working) is only a bit lower at 52%. The proportion of out of school children in 6-18 age groups was 14% (2017-18).

Table 3 presents the latest data on other infrastructure facilities in government schools (GSs) in Bihar. Handwash facility, a key requirement in the pandemic scenario, is absent in 17% of GSs. 19% do not have electricity and only 6% have computer facilities. In many cases, toilets/drinking water facilities may exist but would be non-functional (see Section V).

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<sup>&</sup>lt;sup>52</sup> Wajeeh, F.A. (2020, November 3). Bihar: Union of Contracted Teachers Vow to Vote Out Nitish Kumar Government. *The Wire*. <a href="https://thewire.in/rights/bihar-elections-contract-teachers-nitish-kumar-demands-ignored">https://thewire.in/rights/bihar-elections-contract-teachers-nitish-kumar-demands-ignored</a>. <sup>53</sup> As per UDISE (2015-16), Bihar had an alarming deficit in classrooms in government schools (GSs) with a deficit as high as 75% of the existing classrooms at the elementary level. When one includes the infrastructure needed to accommodate out of school children (OSC), the requirement of classrooms increased to 95% of existing classrooms. Around 10% of the GSs reported an absence of school buildings (in 1%, buildings were under construction) (Bose et al, 2020).

Table 3: Status of school infrastructure in government schools in Bihar, 2019-20

(As a percentage of all government schools, across levels)

Schools with functional Electricity	81.2%
Schools with Drinking water facilities	99.8%
Availability of Toilets for Boys	96.8%
Availability of Toilets for Girls	97.6%
Toilets for CWSN	11.1%
Schools with Hand wash Facility	83.2%
Schools with Computer Facility	5.8%
Total number of Government Schools	72,610

Source: UDISE, 2019-20.

#### Box 5: A large percentage of children in Bihar are out of School

Bihar has one of the highest rates of out-of-school children (OSC) among the school-age population in India. OSC comprises of both never enrolled children and those who have dropped out. In 2017-18, the percentage of OSC in Bihar was 14% (NSS). Table 4 presents the dropout rate by different social categories (UDISE). Dropout rates increase in higher classes, but among the SCs and OBCs, the phenomenon starts in the elementary cycle. There is a very significant difference in dropout rates across the social categories, with the dropout percentages being 7-8% higher for SCs, compared to general castes. The dropout rate is higher for girls than boys, on average still.

Table 4: Dropout rates in Bihar by levels of Education and Social Category: 2020-21

	Dropout Rate Primary			Dropout Primary	Rate U	pper	Dropout Rate Secondar		
	Girls	Boys	Overall	Girls	Boys	Overall	Girls	Boys	Overall
General	0	0	0	0	0	0	14.4	11.3	12.9
SC	0.3	0.5	0.4	5.7	5.6	5.7	20.3	19.1	19.7
OBC	0	0	0	3.8	2.1	2.9	19.9	17.1	18.1
Overall	0	0	0	3.4	2.1	2.8	19.0	16.3	17.6

Source: UDISE+ Dashboard <a href="https://dashboard.udiseplus.gov.in/#/reportDashboard/sReport">https://dashboard.udiseplus.gov.in/#/reportDashboard/sReport</a>

There are various reasons why children drop out. As per NSS, financial constraints (including, engagement in economic activities) emerges as the single most important factor, whereas for girls specifically, involvement in domestic activities is an important reason for dropouts. Note that child labour is rampant in the state, most of the children engaged in child labour coming from marginalised communities and discriminated against in the labour market, because of their castes. Another significant reason that emerges is children not interested in education, which is related in large measure to school functioning and facilities in schools. The lack of minimum facilities and the inability to sustain the students' interests is a major shortcoming on the supply side, and a violation of the core principles of the RTE Act.

The distance to upper primary and senior secondary school is another important factor for dropping out, particularly for girls in Bihar. In a study on OSC in in Patna district, it was found

<sup>&</sup>lt;sup>54</sup> See Chowdhury (2020). As per the 2011 Census, there are 43.53 lakh child labourers in India, and Bihar stands third in the country with 4.51 lakh children who are engaged in employment (HAQ: Centre for Child Rights 2013; Ministry of Labour and Employment, 2011).

that the drop-out rate was the highest in transitional classes, i.e. after the completion of Classes 5 and 8. <sup>55</sup> This was primarily because of the lack of upper primary and secondary schools at an approachable distance from home for girl students. School mapping confirmed the lack of government secondary schools. <sup>56</sup> The issue of access to schools is still far from being resolved and contributes to why children drop out. It is feared that the pandemic has intensified this challenge of retaining children in schools (refer to Section V).

## IV. Bihar Budget: A Closer Look

In this section, we note the trends in overall budget on school education first, and then focus on select schemes that are central to universalisation of education. Schemes specific to education of the disadvantaged groups are discussed in further subsections.

Table 5 presents the expenditure on school education along with its major subcomponents. A squeeze in expenditure on school education had taken place, even before the pandemic struck. In 2019-20, the expenditure growth (over the previous year's expenditure) on school education was negative 9.4%, in nominal terms. <sup>57</sup> Thus, even though there was a small positive change (2.4%) in expenditure in 2020-1, the first year of Covid-19 pandemic, the expenditure stood below its 2018-19 level. The contraction in expenditure was absorbed by the plan schemes, with establishment and committed expenditure rising as part of the 2020-21 budget.

**Table 5: Expenditure on School Education: Bihar (in Rs Crores)** 

	Total	Expenditure he	ad (In perce	entage)		
	Expenditure on School	Establishment and	State Schemes	Centre's contribution	State's contribution	Total
	Education (Rs crores)	Committed Expenditure		in CSS	in CSS	
2017-18	21563	33.2	16.5	17.7	32.7	100
2018-19	24832 (15.2%)*	35.6	10.1	16.9	37.4	100
2019-20	22486 (-9.4%)*	31.8	13.9	19.2	35.2	100
2020-21 (BE)	32113	30.4	15	28	26.6	100
2020-21	23044 (2.4%)*	38.1	8.8	18.7	34.5	100
2021-22 (BE)	34705 (8.1%)**	32.8	15.5	29.8	21.9	100

Source: State Budget, Government of Bihar

Note: Figures in brackets indicate increase over the previous year's actuals (\*) and previous year's BE figures.

<sup>&</sup>lt;sup>55</sup> Pankaj & Mitra (2019)

<sup>&</sup>lt;sup>56</sup> The nearest government secondary school was located on the other side of a railway line and concerned about their safety parents did not send their wards to that school (Pankaj and Mitra, 2019)

<sup>&</sup>lt;sup>57</sup> To obtain the totals, besides the budgetary heads 2202 01 (elementary) and 2202 02 (secondary), allocations on teachers' education and training have been added from 2202 80 and 2202 04. Expenditure on the capital account 4202 201 202 and 4225 277 are part of the total. Some of the expenditure heads overlap across levels, which introduces an element of approximation. Expenditure by the social welfare department - backward classes and extremely backward classes welfare department as well as schedule caste and scheduled tribe welfare department on education, 2225 277 and 2225 197 198 are included. Since the latter cannot be disaggregated across levels, for the majority of the expenditure, we have included the entire amount in school education. In Bihar, +2 is part of college education, in large parts, which means that part of the expenditure on higher secondary education probably gets counted in university and higher education, 2202 03, which we have not considered.

#### **IV.1** Centrally Sponsored Schemes

Bihar has a greater dependence on centrally sponsored schemes (CSS) than other states for financing education. Central transfers to states on education through its various programmes comprised 27% of the overall education expenditure in Bihar (2014-15).<sup>58</sup> This is higher than most other states except the North-Eastern states. It implies that the trends in central transfers would affect the financing of education much more in Bihar than in other states.

SSA (and SMSA): If we look at the main schemes, SSA has the highest allocation among plan schemes (Table 6). The allocation and expenditure on SSA in Bihar have stagnated over the better part of the last decade (Figure 3). Even at the planning stage, the allocations (in real terms) have not grown. Whereas the utilisation ratio for Bihar (defined as expenditure to funds available) has been around 83 percent (average of six years: 2012-13 to 2017-18 period).<sup>59</sup> The lack of expenditure thus cannot be blamed on the lack of utilisation, as is often done.

In recent years, after an increase in expenditure between 2017-18 and 2018-19, expenditure on SSA declined in absolute terms in 2019-20 with sharper cuts in 2020-1 (Table 6).

Table 6: Allocations on Select Schemes for School Education – Centrally Sponsored Schemes and State Schemes: Bihar (in Rs Crores)

Scheme		2017-18	2018-19	2019-20	2020-21	2020-21	2021-22
Type		Actual	Actual	Actual	BE	Actual	BE
	Elementary Education						
CSS	Sarva Shiksha Abhiyaan	8415	10768	10511	13470	9325	14711
CSS	Mid Day Meal	1813	2137	1945	3820	2499	2494
SS	CM Uniform Scheme	213	55	33	45	59	50
SS	CM Girls uniform Scheme	130	82	67	55	55	60
SS	Scholarships in Elementary Schools	88	93	99	125	173	135
	Secondary Education						
CSS	RMSA	321	255	131	778	120	411
CSS	Samagra Siksha			5	544	38	394
SS	CM Girls Uniform Scheme	120	119	139	155	0	175
SS	CM Cycle Scheme	146	131	132	175	221	190
SS	CM Girls cycle Scheme	163	137	158	185	46	195
SS	Scholarship (Anya Vidyalaya)	121	121	124	137	180	137
SS	CM Kishori Swasth Karyakram	0	54	58	60	0	76
	CM Balika (intermediate)					375	
SS	Protsahan Yojana	0	0	362	350		400

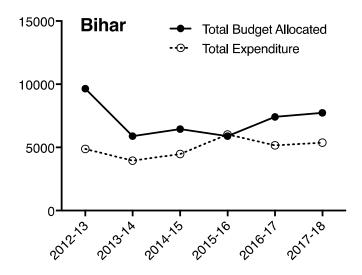
Source: State Budgets, Bihar

Note: CSS: Centrally Sponsored Scheme; SS: State Scheme; \*Other scholarships cannot be classified across levels (eg. Only School, only college). \*\*Assistance to Village/ Block/District Panchayat;

<sup>&</sup>lt;sup>58</sup> Bose et al (2022)

<sup>&</sup>lt;sup>59</sup> Bose et al (2022)

Figure 3: SSA budget allocation and expenditure (In Rs Crore) (at constant price)



Source: Bose et al (2022)

Notes: Allocation and expenditure, Centre and State combined.

The supply constrained nature of education financing expresses in a variety of ways. SMSA's PAB reports indicate that there is a large difference between the state proposal on SMSA (Rs 14,207 crores) and the approved budget (Rs 6392 crores in 2020-1) for Bihar. The latter is only 45% of the proposed budget. The same report documents the Additional Chief Secretary of the state asking the GoI for higher unit cost for teachers' salary than the existing SSA levels (@ Rs 15,000 for primary and @Rs 25,000 for upper primary). It was turned down on the principle of uniformity in norms across states under SSA. Low unit costs are a problem of CSSs. The state also asked for sanction of salaries for more than 90,000 elementary and 3295 secondary teachers, a demand which was not considered. There is no data available to suggest how this gap was met, or whether it remained unfinanced. Teachers' salaries are the major components of costs of schooling, and Bihar has one of the largest gaps in the teacher positions, as discussed earlier. For a resource constrained state, the gap in financing especially for recruitment of new teachers would remain unmet, without central assistance.

Two recommendations follow. First, a special package of well-designed central assistance, tied to the idea of equalisation, needs to be planned for Bihar. Second, decentralised mechanisms that provide sovereignty and flexibility to the states in the various CSSs (with suitable checks and balances) will raise the utilisation of funds and ensure that the funds meet the critical gaps.

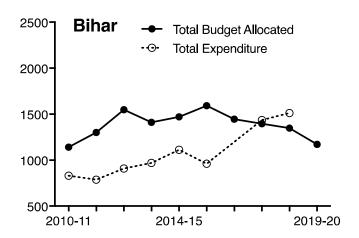
<u>MDM:</u> The other main flagship programme, MDM which is tied to the fundamental right to food, has witnessed a similar stagnation in allocation and expenditure over the years in Bihar. Controlled for inflation, the allocation of MDM has fallen continuously from 2014-15 (Figure 4). The gap between allocation and expenditure closed and expenditure was routinely higher than allocation in some years. It meant that allocation was not increased despite the clear inadequacy of budget, again reiterating the highly supply-constrained nature of the financing. As per the state budget documents, Bihar has contributed more than its mandated share of 40% of allocation for implementing SMSA and MDM in the state in recent years. Clearly, the central support through SSA/SMSA and MDM remains far lower than the demand for additional funding.

In 2019-20, there was a sharp drop in expenditure in absolute terms, which was recouped during 2020-1 (a jump of 28% on 2019-20 level).

There are issues with the coverage of MDM in Bihar. GSs reported a total enrolment of 1.1 crore children in primary and 59.4 lakh children in upper primary schools, in 2020-21 (UDISE). Of these, on average, Food Security Allowance (FSA) is provided to 75.9 lakh children (67%) in primary and 43.73 lakh children (72%) in the upper primary during the year 2020-21. Therefore, out of the total enrolment of 1.71 crore children in elementary classes, FSA has been provided to about 1.18 crore (an average of 69%). It naturally leads to the question - where are the remaining children and what about their food security? This shortage is felt acutely on the ground, as discussed by teachers (see Section V).

Apart from full coverage, the composition of the food basket is very important. The PAB (MDM, 2021-2) observed that supplementary nutrition is essential in the aspirational districts and districts with a high prevalence of anaemia as per the NFHS report. <sup>62</sup> In principle, the PAB approved the provision of supplementary nutrition in these districts by using funds available under the flexi fund component. Bihar was advised to submit a detailed proposal in this regard by 30<sup>th</sup> September 2021. In the post-pandemic scenario, *the public authorities should plan for supplementary nutrition for children in all the districts, and get additional funds earmarked for it. It also must be extended to cover the entire school-age population rather than be limited to elementary classes.* 

Figure 4: MDM budget allocation and expenditure (In Rs Crore) (at constant price)



Source: Bose et al (2022)

Notes: Allocation and expenditure, Centre and State combined.

Rashtriya Madhyamik Shiksha Abhiyan (RMSA): For several years now the government of Bihar (GoB) has articulated an intention of having a higher secondary school in each panchayat.<sup>63</sup> RMSA is the main CSS to enhance access to secondary education and improve its quality. While the SMSA's PAB reports have emphasized the need to raise the secondary transition rate, expenditures on RMSA have consistently decreased in absolute terms

<sup>&</sup>lt;sup>60</sup> Minutes of the PAB meetings of MDM (2021-2)

<sup>&</sup>lt;sup>61</sup> Minutes of PAB meeting of MDM (2021-2) conveys the discrepancy observed in enrolment numbers provided by GoB. This is so even after so many years of existence of UDISE database. This is a serious matter and needs to be sorted out urgently, so that all entitled students are covered under MDM.

<sup>&</sup>lt;sup>62</sup> Minutes of the PAB meetings of MDM (2021-2)

<sup>&</sup>lt;sup>63</sup> The State aims to open a Higher Secondary school in all 8463 Panchayats.

between 2017-18 and 2019-20 (Table 6). The pandemic has accentuated this declining trend. Only Rs120 crore was spent in 2020-1.

School uniforms: School uniforms for elementary students is an entitlement under RTE. SSA, however, provides uniforms for girl children and boys from disadvantaged groups, only, and not for all children.<sup>64</sup> The state uniform schemes provide for a shortfall in coverage and a higher unit cost, where necessary. Allocation on uniforms for the elementary level under the state schemes has fallen in nominal terms. Compared to 2017-18, the recent figures are much lower (Table 6). The reason for the decline in expenditure may have to do with the introduction of direct benefit transfer (DBT) and the resulting exclusion of students from this benefit (see next section).<sup>65</sup> At the secondary level, there is a state scheme for uniforms only for girls, which has comparatively higher expenditure with an increasing trend, except that in 2020-1, there was no expenditure on the scheme.

Going forward, SMSA should increase the coverage to all students and fix a realistic unit cost for the same (the present norm being Rs 600), so that states may focus on other expenditures.<sup>66</sup>

# IV.2 Schemes aimed at social justice and equality of educational opportunities for the marginalised groups

The following subsections discuss the workings and financing of compensatory policies on education in Bihar. These include a mix of centrally sponsored schemes and state schemes.

#### IV.2.1 Kasturba Gandhi Balika Vidyalaya

Kasturba Gandhi Balika Vidyalaya (KGBVs), another CSS, are an important arm of the compensatory policies meant for the education of girls who have dropped out of school.<sup>67</sup> KGBVs target disadvantages at the intersection of caste, gender, geography, and educational deprivations. Though there are problems related to the selection criterion of students, KGBVs are generally representative of the communities that they are expected to target.<sup>68</sup> The existing research and experiences of practitioners tell us that these residential schools have made a difference in the life of the girls studying therein. There are 584 KGBVs in Bihar, where 54,445 girls are enrolled (2020-21). Over the years, many of the existing ones are being upgraded to higher secondary levels. There are more KGBVs in the pipeline (total sanctioned: 732), many of them held up either due to unavailability of land or cost escalation since the time these hostels were approved.<sup>69</sup>

Table 7 presents the proposed and approved expenditure on KGBVs in Bihar. Approved budgets have fluctuated over the last four years, before a sharp decline in 2021-2. The gap between proposed and approved budget for KGBVs is wide and, particularly so in the latest years. In 2018-19, the only year for which this information could be accessed, the expenditure on KGBV was 85% of the approved budget, a relatively high utilisation rate, though the unutilised amount of Rs 50 crores cannot be ignored. Based on information on total expenditure and enrolment from a Parliament question, the estimated effective per student recurrent

<sup>&</sup>lt;sup>64</sup> SSA allocation @ Rs 600 per child is provided for 147 lakh children whereas elementary enrolment in government including aided schools is 160 lakh as per UDISE-2019-20.

<sup>&</sup>lt;sup>65</sup> We have not been able to verify the reason.

<sup>&</sup>lt;sup>66</sup> Within the umbrella SMSA, there are many sub-schemes and components that are not discussed here. The overall supply constrained situation of finances is what emerges from a study of most of these components. <sup>67</sup> KGBVs aims to offer quality education to girls from SC, ST, OBCs, minority, and BPL communities of the educationally backward blocks, by setting up residential schools/ hostels to ensure that the girls continue their

schooling. KGBVs are financed by the Centre and the State in the same proportion as the SSA.

<sup>&</sup>lt;sup>68</sup> GoI (2013)

<sup>69</sup> Minutes of PAB, SMSA 2021-2

expenditure of KGBVs in Bihar was Rs 54,057, on average (2018-19). Compared to Navodaya Vidyalaya (part of the central sector schemes), average expenditure per student on KGBVs are considerably lower.  $^{70}$ 

#### **Box 6: Information Gaps on KGBVs**

There is no data available in the public domain on the actual expenditure on KGBVs, as this expenditure is subsumed within SMSA in the state budgets, and not shown separately. Neither are the audited statements of SMSA expenditures available in the public domain for recent years, which could provide this information. Unit level data (on status of infrastructure, teachers, teachers' training and professional qualifications, enrolments and its compositions) for KGBVs, in Bihar, as part of UDISE or separately, is missing. State and national-level studies on various aspects of functioning of KGBVs have not been conducted/ made public, for several years.

It is important that financial data and the data on physical status of KGBVs be made available in the public domain for greater transparency and discussions. The latter can be integrated with UDISE. In addition, there should be independent evaluation of the scheme.

Table 7: Proposal and Allocation on KGBVs in Bihar (in Rs Crores)

	Proposed (Rs Crores)	Approved (Rs Crores)	-	Per Student Approved Outlay (Rs)
2018-19	366.2	342.0	292.0*	63,306
2019-20	311.1	308.7	NA	57,100
2020-1	809.4	393.4	NA	72,110
2021-2	340.3	202.7	NA	37,160

Source: Minutes of PAB, SMSA, Bihar; \*Rajya Sabha Session:249, Unstarred Question No. 2121.

The underspending is reflected in a variety of ways. As per old reports, it manifests as congested hostels, lack of boundary walls and/ or security guards, absence of proper WASH facilities, and lack of subject teachers and other professional inputs such as counsellors, physical instructors, etc.<sup>71</sup> It also reflects in availability of warden, teachers, and other staff, and their terms of employment. The 2<sup>nd</sup> National Evaluation Report (GoI, 2013) complimented Bihar for the inclusion of CWSNs in the KGBVs, especially where the programme was run through Mahila Samakhya. However, it was also noted that the inclusion of CWSNs was not been accompanied by any special facilities for these children. The special training for OSC was either weak or non-existent in KGBVs. Contrary to the criteria of the scheme, students selected were those who have passed the Class 5 examination rather than OSC.

The last few years have seen an extension of the scheme to secondary and higher secondary classes. Expansion of hostels to higher grades requires greater expenditure or else the resources may be thinly spread and the financing gaps increase. The state has reported difficulty in operating secondary classes in KGBV, as furniture & equipment grants to

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<sup>&</sup>lt;sup>70</sup> Per student expenditure in Navodaya Vidyalayas, the centrally run residential schools stood at Rs 1.2 lakhs per annum, in 2020-1. (Calculation based on information on enrolment and expenditure available at <a href="https://navodaya.gov.in/nvs/en/Finance/Expenditure/">https://navodaya.gov.in/nvs/en/Finance/Expenditure/</a>) While the two estimates cannot be directly compared (because of the different structures of the residential school and the different years for which the data is presented), KGBV expenditures are significantly lower, a point critiqued by researchers (Saxena, 2012).

<sup>71</sup>Saxena (2012)

KGBVs have not been sanctioned by GOI. "In KGBV Type-IV, the basic facilities, such as tutors, course books/stationery, competitive materials, special training, support staff, etc., are not available due to the low annual budget of Rs. 25 lakhs." (PAB, SMSA 2021-2) This is yet another example of low unit costs affecting a CSS. The State is also demanding construction costs as per the latest schedule of rates on the pending civil works, whereas the GoI expects Bihar to finance the additional cost from the state's resources. This shifting of responsibilities can affect the sustainability of this important programme.

In the context of the pandemic, there is a need to address the pre-existing gaps as well as respond to the newer demands on KGBVs. A host of measures are needed, starting from the identification of OSC, decongesting them, enhancing nutrition, psycho-social support for children, ensuring availability of teachers in adequate numbers and appropriate training of teachers, warden and other staff for gender-specific needs & psycho-social needs, skill-training, etc. A more inclusive approach with the provision for special training as mandated by the RTE Act, 2009 for all OSC is called for. In addition, the conversion of KGBVs into residential schools cum hostels, as suggested by the 2<sup>nd</sup> National Evaluation Report (GoI, 2013), should be considered, wherever space is available. It requires closing the financing gap and greater Central support to the states to run these crucial interventions. Updating norms, in a timely manner, is another important aspect of KGBVs and other CSS that needs attention.

#### IV.2.2 Other State Schemes for Girls' education

To overcome gender disparity and discrimination, the GoB has been running various schemes for girls to promote enrolment, encourage retention, and transition to secondary schools.<sup>72</sup> The girls' cycle scheme is one such innovation that has worked for Bihar, as widely acknowledged in the literature. Schemes on education of girls is one area where allocations have risen over the years, but the pandemic did not spare these heads also. Schemes for the education of girls, in the recent budgets, include uniform schemes (elementary and secondary), girls' cycle schemes, CM intermediate pass scholarships, and *Kishori Swaasth Karyakram* representing expenditure on girls (Table 6).<sup>73</sup> Total allocations on the above-mentioned state schemes on girls' education, at the school level, rose from Rs 392 crores in 2017-18 to Rs 784 crores in 2019-20, and then fell to Rs 476 crores during 2020-1.

#### IV.2.3 Scholarship for Dalits, Adivasis, and other Marginalised Groups

In general, scholarships are an important component of school education expenditure in Bihar. The state has several state schemes; besides there are CSSs - pre-matric and post-matric scholarships, etc. (Table 8). Scholarships are reported under various departments and for some of the heads, assistance goes to lower levels of government, without any description of the beneficiary type in the budget (last rows in Table 8). Also, it is difficult to obtain information on scholarships in one place, though of late many scholarships are routed through the education department as indicated in the 2020-1 budget speech. <sup>74</sup> It raises the risk of omission. Schemes such as the Medhavritthi Yojana, and CM Chhatravritti Yojana do not figure in the state budget

<sup>&</sup>lt;sup>72</sup> Research shows that in developing countries, parents in poor families may perceive that schooling is more costly for girls, both in terms of real financial costs and opportunity costs. Among other things, cash assistance to families helps to compensate for the direct/ indirect costs that influence whether families send their girls to school and keep them in school. Sperling, et al. (2016) present examples from South Asia and other contexts on various incentives to girls that improved their retention in school.

<sup>&</sup>lt;sup>73</sup> Government of Bihar. Description of schemes related to girls' education in Bihar. Bihar Vikas Mission, Mission Director Office. <a href="http://www.biharvikasmission.org/human-development-sub-mission">http://www.biharvikasmission.org/human-development-sub-mission</a>

<sup>&</sup>lt;sup>74</sup> Bihar Finance Minister's Budget speech (2020-1), <a href="https://openbudgetsindia.org/dataset/bihar-budget-speech-2020-21">https://openbudgetsindia.org/dataset/bihar-budget-speech-2020-21</a>

by the same name. There is a case for a consolidated financial statement on scholarships by each level of education.

Our observations on scholarship schemes are as follows:

(1) Allocations on centrally sponsored scholarship schemes appear to be low, erratic, and uneven. For example, all pre-matric scholarship (PREMS) schemes in 2017-18 reported zero expenditure (Table 8). Expenditure on PREMS for STs is nil between 2017-18 to 2019-20. PREMS for SCs has an expenditure of Rs 42 crore for 2019-20, followed by a lower budgetary outlay in 2020-1 at Rs 25 crore and raised to Rs 40 crore in 2021-2, reflecting volatility even at the planning stage. Often arrears for previous years get added to expenditures in the following years.

While the schemes are supposed to be centrally sponsored with the major expenditures incurred by the centre, it may not be the case in reality. This might be because of the conditionality attached to the central assistance or other reasons (see Table 9). One example is the PMS for SC students in Bihar where between 2017-18 to 2019-20 central expenditure was nil and state expenditure was stagnant at Rs 58 crores. Central expenditure on PMS-OBCs was incurred in 2017-18 and 2018-19 but none in 2019-20, while on PREMS-SC it was incurred in one of the three years.

Compared to CSSs, state schemes have higher allocations on scholarships, they are generally more predictable with lower year-to-year fluctuations.<sup>75</sup> Overall, the state budgets reflect that Bihar managed to maintain the earlier levels of expenditure on scholarships and increased it in 2020-1 (Table 8).

Table 8: Expenditures on Scholarship Schemes – Centrally Sponsored Schemes and State Schemes: Bihar (in Rs Crores)

Depart-	Scheme					2020-21	2020-	2021-22
ment	Type		2017-18	2018-19	2019-20	(BE)	21	(BE)
		Pre-Matric Scholarship						
SC-ST	CSS	Pre-Matric Scholarship (SCs)	0	1	42	25	25	40
SC-ST	CSS	Pre-Matric Scholarship (STs)	0	0	0	8	8	8
		Pre-Matric Scholarship						
BC-MBC	CSS	(OBCs)	0	34	35	36	32	38
		Other Scholarship Schemes*						
SC-ST	CSS	Post-Matric Scholarship for SCs	59	66	58	120	60	50
SC-ST	CSS	Post matric scholarship for STs	0	0	3	3	3	6
BC-MBC	CSS	Post matric Scholarship (OBC)	56	88	0	116	56	114
		Post matric Scholarship						
Minorities	CSS	(Minorities)	8	33	21	30	30	30
Minorities	SS	CM Vidhyarthi Protsahan Scheme	46	34	22	75	90	100
SC-ST	SS	Scholarships for SCs**	131	152	166	400	314	326
SC-ST	SS	Scholarships for STs **	19	19	16	25	25	33
BC-MBC	SS	Scholarships for OBCs**	231	214	280	303	303	303
		SUM						
			549	629	631	1127	946	1095

Source: State Budgets, Bihar

Note: CSS: Centrally Sponsored Scheme; SS: State Scheme; \*Other scholarships cannot be classified across levels (eg. Only School, only college). \*\*Assistance to Village/ Block/District Panchayat

<sup>&</sup>lt;sup>75</sup> This is also what was the general impression among the respondents during the fieldwork.

Table 9: Centre-State Contribution on Pre and Post matric scholarship schemes (Rs Cr)

	2017-18		2018-19		2019-20		2020-21	
	Centre	State	Centre	State	Centre	State	Centre	State
Pre-Matric Scholarship (SCs)	0	0	1	0	41.7	0	25	0
Pre-Matric Scholarship (STs)	0	0	0	0	0	0	8	0
Pre- Matric Scholarship								
(OBCs)	0	0	11.2	11.9	11.5	11.5	16.2	16.2
Post-Matric Scholarship								
(SCs)	0	58.7	8	58.0	0	58.0	0	60.1
Post-Matric Scholarship (STs)	0	0	0	0	0	0	3	0
Post-Matric Scholarship								
(OBCs)	56.2	0	88.4	0	0	0	57.1	0
Post-Matric Scholarship								
(Minorities)	0	8.0	0	32.8	0	21.3	0	30

Source: State Budget, GOB

Table 10: Distribution of Student Scholarship via National Scholarship Portal: Bihar (2020-1)

		Applied					Verified to Applied %			
		Gen	SC	ST	OBC	Total	Gen	SC	ST	OBC
Male	Pre- matric	94,814	8,647	3,262	188538	295,261	25.6	10.6	4.8	21.9
	Post matric etc.*	49,581	30,517	3,076	137688	220,862	33.2	14.6	17.1	22.5
Female	Pre- matric	130271	10,131	4,254	246805	391461	25.4	4.1	2.7	20.3
	Post matric etc.*	69,548	30,394	3,882	176428	280,252	26.6	8.0	8.6	17.7
Total		344320	79,698	14,483	749689	1188,190	26.8	10.3	7.8	20.5
Share		29.0	6.7	1.2	63.1	100%	36	3	0.4	60

Source: Data provided on the NSP portal.

Note: \* Post Matric/Merit Cum Means/Top class Education Scholarship. The first four columns represent the share of the social group in overall applications while the last four columns represent the share of the social group in application verified.

(2) In Bihar, all children from class 1-10<sup>th</sup> receive scholarships under CM Chhatravriti Yojana. Though there are different scholarship names for different categories of children, there is a near-universal coverage of children up to class 10<sup>th</sup>, with 75% attendance as the main criterion. However, after class 10<sup>th</sup>, students must rely on PMS only. There are virtually no state schemes covering this important segment other than PMS for SC, ST, OBCs, and minorities. As per media reports, for several years now PMS has not reached the students, for whom the scholarships form the bridge to complete school and transit to higher education (further described in Section V).

# Box 7: Post Matric Scholarships for SC, ST, and OBCs

Several factors explain what has happened to PMS-SCs in Bihar, and it is a quintessential representation of the kind of problems that have plagued scholarship schemes in recent years. There is the problem of dwindling beneficiary numbers from 1,55,000 in 2015-16 to less than 40,000 in 2018-19, and a large part of it is because of the cap introduced in the scholarship scheme by the state government. <sup>76</sup> It managed to preclude many students who no longer were eligible. Second, Bihar did not meet the committed state expenditure on PMS-SC, which was a necessary condition to avail central assistance. The state didn't meet the minimum expenditure required on this scheme but continued to spend on other state schemes as can be seen in Table 4. Third, the Centre did not, therefore, release the central assistance for the scheme between 2017-18 to 2019-20, citing the conditionalities (Table 9). The most marginalised in one of the poorest states of India were thus denied their rights (more prosperous States received Central assistance). With the change in formula to a fixed proportion between the centre and the states (60:40), this problem will hopefully be corrected. Another set of issues relates to the National Scholarship Portal (NSP).<sup>77</sup> NSP is part of GoI's e-governance initiative and has been uniformly launched across the country. Because of technical snags in the NSP portal in Bihar, it is alleged that the state government has not received applications for the PMS for some years. 78 Again this is something that should have been corrected quickly or a way found around it but the problem has reportedly dragged on for three years. While the state needs to be more pro-active, it also raises a question of whether a new technology such as the NSP should be applied to fragile settings. 79 The upshot is that over the past several years, the youth in Bihar have not received the PMS creating enormous hardships for the student community.<sup>80</sup>

Besides the supply constrained nature of financing, problematic design, arbitrary changes in eligibility requirements, changes in governance mechanisms and administrative apathy have the potential to undermine such significant programs. It points to the need for a legal framework, transparent and timebound mechanisms, which are accountable to the stakeholders.<sup>81</sup>

(3) Table 10 provides the number of pre-matric and post-matric scholarship (including a few merit-based scholarships) applicants by social groups, based on data provided on NSP. Compared to the huge number of students enrolled in Bihar, the applicants are only 12 lakhs, a relatively small number. SC applicants for scholarships via the NSP (6.7% of all applicants) are much smaller than their share of the population (16%) in Bihar. Also, in terms of the success rate of the application being verified the percentage is smallest

<sup>&</sup>lt;sup>76</sup> Between 2017-18 and 2019-20, Bihar did not qualify for any Central share since it had spent much less than its committed state liability.

Singh, S. (2021, August 10). Bihar denies SC.ST scholarship for 3 years, says 'technical issues' with portal. *The Indian Express*. <a href="https://indianexpress.com/article/india/bihar-denies-sc-st-scholarship-for-3-years-says-technical-issues-with-portal-7446342/">https://indianexpress.com/article/india/bihar-denies-sc-st-scholarship-for-3-years-says-technical-issues-with-portal-7446342/</a>.

<sup>&</sup>lt;sup>77</sup> National Scholarships Portal (NSP) is a digital portal "one-stop solution through which various services starting from student application, application receipt, processing, sanction and disbursal of various scholarships to students are enabled. https://scholarships.gov.in/about

<sup>&</sup>lt;sup>78</sup> Singh, S. (2021, August 10). Bihar denies SC.ST scholarship for 3 years, says 'technical issues' with portal. *The Indian Express*. <a href="https://indianexpress.com/article/india/bihar-denies-sc-st-scholarship-for-3-years-says-technical-issues-with-portal-7446342/">https://indianexpress.com/article/india/bihar-denies-sc-st-scholarship-for-3-years-says-technical-issues-with-portal-7446342/</a>

<sup>&</sup>lt;sup>79</sup> Drèze (2022)

<sup>&</sup>lt;sup>80</sup> Pallical, B. (2020, November 9). Bihar: Is Education for the Marginalised an Election Issue? *The Wire*. https://thewire.in/rights/bihar-post-matric-scholarship-election-education-marginalised

<sup>81</sup> See the discussion on scholarships and its delivery, in the context of Delhi (Bose and Sharma, 2022)

for SC students which means that only 3% of scholarships (numbers) via the NSP are going to these marginalized groups. It questions the effectiveness of the new system of scholarship delivery and needs urgent attention. Why are so few applications verified? What are the special difficulties faced by SC ST students in applying and why is the rejection rate higher for these students? Based on comprehensive evaluation, suitable measures – including alternate application procedures - must be taken to correct the situation.

- (4) To encourage girls to continue their education, there are some scholarship schemes. Some are merit-based like the Medhavrithi yojana for SC/ST girls who have scored more than a certain percentage in the public examination. There are other schemes applicable to all girls, passing 12<sup>th</sup> class (CM Balika intermediate protsahan yojana) and a similar scheme after graduation (CM Balika Snatak Protsahan Yojana) that is designed as a lumpsum reward. The 2021-2 budget has doubled the scholarship amount per beneficiary under the latter schemes. These two schemes have received the highest budgetary allocations which can be seen as an attempt to pre-empt dropout of girls during the pandemic through added incentives. These incentives, however, will only be delivered at the time of passing out. Future payouts will not take care of the immediate needs or benefit the most vulnerable and prevent their dropout. What is required during the pandemic is immediate purchasing power to pay for direct and indirect costs, as well as to compensate households for the higher opportunity costs of education.
- (5) It needs to be emphasized that PREMS and PMS are rights-based scholarships meant for the marginalised communities. They have an income criterion for screening. It is based on the principle of equality and social justice for the marginalised groups for whom economic barriers and social discrimination can be debilitating. Whereas scholarships that cover all children are part of the "incentive" policy. In a state where dropout rates are still high even among the general population, the government can provide an incentive to children for continuity of learning. However, **rights-based scholarships must take precedence when it comes to allocation, and this should never be compromised.**

# **Box 8: Announcements in 2021-2 Bihar Budget**

The budget speech (2021-2) of GoB promises timely delivery of money for textbooks and uniforms.<sup>82</sup> There is a reference to filling up teacher vacancies including those of heads of schools, and progress on infrastructure development, which is welcome. An announcement of increase in scholarship money for girls completing class 12<sup>th</sup> and graduation is the highlight of the speech, as discussed earlier.

There is a grand promise to arrange computer education and computer training for all students, class 6th and above through the Digital Bihar program. We could not find allocations in the budget corresponding to this announcement, whereas this should ideally require substantial investments in constructing computer labs, PCs, and other hardware, and training of teachers, among other things. We have noted that the overall RMSA budget (which has subsumed the ICT@ school scheme) has declined, and the other ICT head has a budget of Rs 1 crore (2020-1, BE) only, with no expenditure in 2020-1. As per the UDISE data (2021-2) only 3% of GSs have at least one computer. Without significant allocations on digital infrastructure and other resources, computer education seems like a pipedream.

<sup>&</sup>lt;sup>82</sup> Budget Speech Bihar, 2021-2 <a href="https://openbudgetsindia.org/dataset/bihar-budget-speech-2021-22/resource/dbc0e51d-d2bb-4560-8c0b-618e4133020b">https://openbudgetsindia.org/dataset/bihar-budget-speech-2021-22/resource/dbc0e51d-d2bb-4560-8c0b-618e4133020b</a>

# V. Findings from the Field: Bihar

The closure of schools in Bihar was nearly complete for 18 months (resumed from August / September 2021), which means that the distance between schools, teachers, and children has become wide. The state went through one of the largest reverse migrations in the history of the country with about 30 lakh people returning to the state between March to July 2020. Schools were converted to quarantine centres for 6 months, with neither teachers nor students being allowed into the schools. The "social distancing" brought in by the covid became a discriminatory practice against the lower castes, who were not allowed to return to the village or ostracized. It created a lot of distance and disharmony within the community. Bihar also went in for assembly polls in Oct-Nov 2020, which meant teachers were deployed for that work. The second wave again caused severe disruptions. When the schools finally reopened the teachers have once again been deployed for panchayat election-related duties.<sup>83</sup>

This section reports on some qualitative and quantitative findings from the field on the impact of the pandemic and the supply-side response/ the lack of it. It is based on fieldwork conducted during October November 2020-21 in Bihar. It involved (1) Teacher survey comprising 16 government school teachers selected from across the state (see Appendix Table); (2) Focus group discussions with students from marginalised communities at one site; (3) In-depth interviews with select teachers, school Principals and members of civil society organisations at the grassroot level. The fieldwork was done telephonically. The idea is not to paint an accurate picture through a rigorous survey which is beyond the scope of this study, but rather to highlight the actual contexts of the budgetary policies through the voices of the stakeholders. The observations relate to five areas: dropouts among children in the vulnerable communities; school infrastructure and teachers; mid-day meals (MDM); entitlements and scholarships during the pandemic; and, the changing systems of financial flows.

# V.1 Dropouts among children in the vulnerable communities

In Section III, we noted the high levels of OSC in Bihar. This proportion is significantly higher among members of the SC/ST community, and among Dalits, the Maha-Dalits suffer the most.

# Box 9: School closure has pushed many girls to drop out

In a conversation with 15-16 girls in the Jamui district in Bihar, we were told that 14 out of 16 girls were taking transfer certificates (TCs) from schools. These were girls from the Musahar community, some from other Dalit and minority communities, studying in grades 9<sup>th</sup>-10<sup>th</sup>. These adolescent girls were not going to complete their 10<sup>th</sup>, let alone senior secondary. The discontinuation of schooling caused them to drop out of school. The incentives had stopped; money for the cycle scheme and scholarships didn't come, they said. These children do not possess mobile phones for online education. Even if their families had mobile phones, girls' access to these mobile devices is highly limited, as has been found in most low-income households/ poor households.<sup>84</sup> Meanwhile, these young girls had assumed responsibility for the household chores and their parents wanted to get them married. **The discontinuation of schools, along with the loss of state support, has pushed many girls out of school.**<sup>85</sup>

On the verge of dropping out

In Samastipur district, the schools had not reopened properly (though formally they were open, we were told). Children from the various oppressed castes, Ravidas, Chamar, Paswan,

<sup>&</sup>lt;sup>83</sup> In Conversation with Satyendra, Centre for Social Equity & Inclusion, New Delhi.

<sup>&</sup>lt;sup>84</sup> UNESCO study (2021) based on evidence collected in local communities in about 90 countries show that gender norms and expectations can affect the ability to participate in and benefit from remote learning.

<sup>85</sup> In Conversation with Satyendra, Centre for SE&I.

Musahar, and the Muslim community were not going to school mostly. "The relationship with studies is lost," they said. While the children had not formally dropped out, many girls have taken up cleaning jobs in people's houses. The pressure of employment is more on adolescent boys. The older children who would pay for their education by taking tuition no longer have those earnings. 5 kg foodgrain ration through the PDS, provided by the government, has been the mainstay for these communities. People subsisted on sabzi chawal or maad chawal, with a meal a day. The ration was free for several months, now people have to pay Rs 3/kg for rice and Rs 2/kg for wheat, they said. There are pilferages from the scheme, and yet it has become the main means of subsistence for a lot of people, we were told. The opportunity cost of education had climbed up and the small means to support it was lost.

# Missing Children

While the phenomenon of dropouts can be seen clearly in the communities, it is still not visible in the school records. School authorities do not strike off students' names for six months, and teachers in Bihar were unaware of the exact status having lost touch with the students. A teacher teaching in a semi-urban school in Muzaffarpur, Bihar, attended mostly by girls from SC communities mentioned that a fourth of the 800 children in her school have taken a transfer and moved elsewhere within the state. "We have no information about them." With time the true extent of the dropouts would emerge.

The pandemic and the policy response has raised the vulnerabilities of adolescent children of most marginalised communities and the possibilities of their dropout. The girls, in particular, are the worst affected battling various intersecting deprivations and challenges. There is a need for a multi-pronged approach to address the issue of OSC including those at risk of dropout. (1) This would include measures such as additional financial assistance to the most vulnerable groups that could be tied to a minimum attendance. It has to be of an order that covers the direct costs/opportunity costs of schooling and entails a regular flow of money. Plus, the existing incentive and entitlement programmes – many that have not been reaching children - must be implemented. Systems of social audits, internal audits, and administrative redressal mechanisms are necessary steps in this direction. (2) Unit cost of special training of OSC under the SMSA at Rs 500 per child per month needs to be raised to a more adequate level to ensure that the training is substantive and meaningful. (3) The phenomenon of dropout, generally, cannot be seen independent of the conditions of the schools and would need a major injection of resources, along with appropriate planning and implementation. Adherence to RTE norms should be non-negotiable. In addition, more resources should be earmarked for schools /locations where a significantly large proportion of children are from marginalised communities. (4) The gendered patterns of ownership of devices have emerged as an issue, which needs to be addressed through investments in public digital infrastructure, among other things (refer to Box 3). That is, to have digital infrastructure in schools, panchayats, and public libraries, for individual and community access by students.

# V.2 Mid-day Meals

In interviews with teachers across different districts in Bihar, covering both urban, semi-urban, and rural areas, we learned that children have received MDM through the pandemic, though not without hiccups. <sup>87</sup> MDM was the main connection between the school and the parents, for

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<sup>&</sup>lt;sup>86</sup> Conversation with Ms. Pratima, a social activist working with Dalit youth, Samastipur, Bihar.

<sup>&</sup>lt;sup>87</sup> After the first phase of nationwide lockdown, the Patna HC had questioned the Bihar government on MDM. Tewary, A. (2020, July 7). Patna High Court pulls up Bihar govt. over mid-day meal scheme. *The Hindu*. <a href="https://www.thehindu.com/news/national/other-states/patna-high-court-pulls-up-bihar-govt-over-mid-day-meal-scheme/article32010498.ece">https://www.thehindu.com/news/national/other-states/patna-high-court-pulls-up-bihar-govt-over-mid-day-meal-scheme/article32010498.ece</a>.

the major part of the pandemic. Only rice was distributed as dry ration, however. Though there were variations across schools in different locations, in a majority of the schools, it was given for most months, teachers said. Teachers also said that the cooking costs were provided to children, but couldn't confirm for how many months it has come/ how much money children received / how many got it, since this money was transferred into children's account through direct benefit transfers (DBT) bypassing the school.

Three teachers (out of the 15 who spoke about MDM) specifically informed about the shortage of the ration received by their schools. The shortage means all the beneficiaries are not covered by the scheme. As a teacher explained "Ration used to come for 55% - 60% of children in the school, we couldn't cover all the children. Because of it schools faced problems, as parents complain that the school is responsible and teachers are pilfering ration. We can only give it to as many for whom we receive the ration. Government should give for all." The shortage is creating mistrust between the school and the community. Besides MDM is limited to grades 1-8<sup>th</sup>, and other children, like those in the pre-school, who are studying in the same school are denied MDM. It must be pointed out that Bihar is yet to restart cooked MDM, even though the schools reopened in August.

The stagnation of the MDM budget is reflected in the field in the form of limited coverage and distribution of only rice instead of a more diverse food grain basket. Raising allocations on MDM is the key to addressing these challenges (lack of trust being an important one) that were observed in the field.

#### V.3 School infrastructure and Teachers

With the pandemic and attendant risks, water, sanitation and hand hygiene (WASH) facilities count as essential. Over a decade back, RTE made it mandatory for schools to ensure gender-segregated toilets and drinking water in schools. Reasonable levels of PTR and SCR are crucial elements of school infrastructure, as discussed in the schedule of the RTE Act.

In their responses, teachers shared that some schools do not have toilets for the boys, and students used the open spaces. In one school, the toilets for girls are temporary and are not proper. Three out of 15 schools (20%), do not have proper drinking water facilities. In some others, it was reported that water quality is not good and old hand pumps are being used by the children. Quite clearly, WASH facilities need urgent attention.

Table 11: PTR, SCR, and percentage of female teachers: profile of the 15 schools surveyed in Bihar

	Student Classroom Ratio (SCR)	Pupil-Teacher Ratio* (PTR)	Percentage of Female teachers
Maximum	170**	100	69
Minimum	22	22	26
Mean	102	51	45
Median	67	41	41

<sup>\*</sup>Inclusive of guest teachers; \*\* 2000 students with 12 classrooms.

Source: Based on field data.

Many teachers emphasized the problem of insufficient classrooms. Student Classroom Ratio (SCR) is very high in most schools (Table 11). Most schools are not able to maintain any kind of physical distancing across children given the state of infrastructure. A teacher from Patna shared that they have "only 3 classrooms in the school for 300 children in an elementary school (1-8). Classes are combined to accommodate students. Sometimes classes are held in the

corridor space." Some teachers have said they have a small playground in the school and four teachers reported no playground at all. All schools, except one, had an electricity connection.

The extent of deviation from the RTE norms for schools in Bihar on average, cannot be found in any other state. The state has struggled to meet the RTE norms, which is not possible without a substantial increase in public expenditure. The trends in public expenditure, with an incremental increase or even decrease in absolute terms in some years, reveal that the opposite seems to be happening.

Two out of 15 schools reported having functional computers for students. Some schools in the state have added a smart class facility. In candid feedback, a Principal of a Higher secondary school shared, "we have a decorated smart class with a TV where centralised content is shown to the children. If people sitting in Patna and Delhi think that children in rural areas will be enamoured of the medium and enjoy what's being shown, that is not the case. Children are bored with the content. It cannot replace the classroom transaction/ or the presence of a teacher in class. The need is for ICT labs in schools, which is not there." There are only 3-4 schools in the district that have the facility, we were told.

Female teachers were available in all 15 schools, though this may not be true of the state as a whole. On average, the ratio between female to male teachers is 2:3, which is a definite improvement from the past. The pupil-teacher ratio (PTR) though lower than student classroom ratio (SCR) is high in almost all schools in this survey, and not as per the RTE norms. The state seems to be somehow managing by appointing guest teachers. 88 A guest teacher's salary is Rs 20,000 per month at the senior secondary level, we were told. At this salary, it is impossible to get good candidates. A school principal explained the situation thus: "How much work and quality can you expect from a person who is compelled and forced into accepting these terms? In today's time, there is a direct relationship between work and money. Unless you provide decent remuneration, you cannot expect good work<sup>89</sup>. How do you expect good candidates to come and teach? Even if they do, it is only for a few months or a year or two before they get a better opportunity. The result is that schools especially higher secondary schools are left without subject teachers for most subjects." Gauging the condition of schools, students reason that it is better to study in a coaching centre in the nearest town and stay on rent there, which is encouraging a rapidly growing parallel market for tuition in Bihar. The problem however will not be fully resolved with higher salaries, more appointments, and adequate budgets alone, it is felt. Some of the past recruitment drives especially at the primary level have been victims of nepotism, where Mukhiya has selected his people for posts of teachers. It has long-term consequences including dilution of professional standards of the existing teacher cadre, something that would take years to reverse, teachers told us.

The response to the pandemic must include filling various gaps in minimum facilities that RTE lays down. Budgetary announcement (2021-2) on recruitment of teachers and principals should be followed up in practice. Filling teacher gaps is the most crucial aspect which must be done with sensitivity and professionalism to help rebuild the trust deficit among teachers. An expansion of capital works and recruitment of teachers and other staff and faculties will not only be in the interest of school education, but it will also generate additional employment and

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<sup>&</sup>lt;sup>88</sup> Engineers, PhDs among 5 lakh applicants for 4257 guest teachers vacancies in Bihar. (2018, July 5). *The Indian express*. <a href="https://indianexpress.com/article/jobs/teachers-jobs/engineers-ph-ds-among-5-lakh-applicants-for-4257-guest-teachers-in-bihar/">https://indianexpress.com/article/jobs/teachers-jobs/engineers-ph-ds-among-5-lakh-applicants-for-4257-guest-teachers-in-bihar/</a>

<sup>&</sup>lt;sup>89</sup> Bihar also has Tola sevak and Talimi Markaz, another category of teachers who liaison between the school and the children from the deprived communities. The job of Tola Sewak is to assist children with their education and prepare them for enrolment in a mainstream school, provide basic literacy to the women, and create awareness about the social security and welfare schemes for them.

therefore have a multiplier effect in the local economy. It will assist the recovery process, which would otherwise be slow and long drawn.

# V.4 Entitlements and Scholarships during the Pandemic

Money for textbooks, uniforms, and scholarships in Bihar is sent via DBT to children's accounts. 90 Textbooks are not provided to students even in the elementary grades and instead money is transferred. The state textbook corporation has stopped printing textbooks in Bihar. Rs 300 is the amount students receive for textbooks. Teachers said that this money is not enough to cover the cost of private textbooks purchased from the market. The issue of delayed payments was flagged by teachers. The money for textbooks comes in September/October whereas the session begins in April. Teachers generally ask students to use the same books that the earlier batches have used. This accords with the findings of GoB's survey which found that merely 18% of students were using new books. 91 The same survey notes that around 80% of students received the money in bank accounts to buy textbooks. It means that 20% are receiving neither new textbooks nor money. The exclusions are significant, and even those who receive money may receive it late when it can no longer be used for the intended purpose. The present arrangement of DBT does not serve the interest of the child, whose right to education is the main objective here. Students should be provided textbooks and stationery (and not bank transfers) by the department as is the case in many other states (and was also the practice in Bihar till recently). It should be delivered at the beginning of the session; the Budget speech has paid attention to this point.

The money for school uniforms is tied to fulfilling 75% attendance. This is not in line with the RTE Act, which entitles children to free elementary education in GSs – and therefore free uniforms and textbooks - without any conditions. For 2020-1, the attendance requirement has been waived but no money has come yet. Several school teachers informed that the students have not received the scholarship money during the pandemic, whereas the money has come to some children's accounts, some said. Thus, during the past year money did not reach the children's accounts on a variety of heads.

To obtain a picture of the scholarships that children receive, we spoke to students in Higher Secondary schools, including those who have completed their schooling in recent years.

# **Box 10: Focus Group Discussion with Dalit students on Scholarships**

Golu Kumar studies in class 12<sup>th</sup> in a government school in Samastipur and goes for coaching at Rs 400/month. Though education is supposed to be free, he and most other students must take tuition to negotiate the curriculum. The parallel system of the coaching industry has become an indispensable part of the education system of Bihar. Often the class size in the coaching centres is even bigger than his school batch. In Golu's case, there were 130 students in his class in school/junior college, and the coaching he can afford at Rs 400/month has a class size of 150 students. Lack of individual attention is a reality that Golu has to live with, be it in school or private coaching. It points to a larger malaise where the government schools that cater to the most marginalised groups have the worst facilities.

State support through scholarships is essential for Golu to negotiate his school expenses. Despite their hardships and struggles, his parents have sent him to Samastipur to a relative's

<sup>90</sup> For primary classes, students can receive the payment in their parents' account, we were told.

<sup>91</sup> Rumi, Fayal. (2018, November 10). Only 18% students of Bihar government schools bought new books. *Times of India*. <a href="https://timesofindia.indiatimes.com/city/patna/only-18-students-of-govt-schools-bought-new-books/articleshow/66560069.cms">https://timesofindia.indiatimes.com/city/patna/only-18-students-of-govt-schools-bought-new-books/articleshow/66560069.cms</a>

place so that he can study. He remembers the scholarship money that he has received through his years of schooling. It began with Rs 400 and reached Rs 1200 per annum by the time he came to class 8. According to him, he received Rs 1800 in class 9-10<sup>th</sup> and once Rs 2500 in 11-12<sup>th</sup> (money for cycle). He hasn't yet received the post-matric scholarship (PMS).

Jyoti, now studying in 1<sup>st</sup> year of college, has received Rs 8,000 under the Mukhyamantri Medhavi yojana for SC/ST girl students for securing 2nd division in class 12th. Sunny and Ram Kumar, also from the SC community, said that they scored a first division in class 12<sup>th</sup> and applied for the Mukhyamantri Medhavi Yojana but never received the scholarship.

None of these youth is receiving the PMS to which they are entitled. PMS has not come for the past three years, many students confirmed. The students have made many rounds of the local authority (Shiksha bhavan) and their institutions for the scholarship. They are at a loss to understand why they were not receiving the scholarship. Rs 100 is the charge they pay to a local centre to fill up the form and the computer facility. For PMS there is a portal, PMS- online where students are supposed to apply only online. Schools/colleges later verify the enrolments (refer to Section IV.4 on scholarships for marginalised communities). Students are aggrieved, since they have incurred expenses without any return. Not knowing where the problems lie, students started blaming the college, the nearest target. Without scholarships, higher education is out of reach for all these students.<sup>92</sup>

The problems flagged above are important to consider. The flow of scholarship money, at times, is erratic and arbitrary with predictability a big challenge. Students find the application process difficult and, therefore, must buy external assistance, while the role of the school has become minimal. The lack of grievance redressal mechanisms (further discussed below) points to major gaps in the system. Non-payment of PMS is a cause of distress and hardship among students, which needs to be urgently addressed.

The palpable dissatisfaction within the Dalit communities on the way public money is being distributed cannot be ignored. Scholarships have been extended to all children, whereas, the most vulnerable groups are being denied their Constitutionally guaranteed rights. As a Dalit activist and educator put forth her perspective, "Earlier the scholarship would go to only SC/ST girls but now it has been extended to all girls. It has become a general scholarship, which takes away the focus from the issue of discrimination against SC, ST girls and the special disadvantages that they suffer. When the girls do not receive it, they say that no one has received it. They do not try to find out why it has not come. Everyone not receiving it has normalised it."

Interestingly, the resentment around scholarships was also reflected in the voices of some teachers who thought that money due to the teachers is being spent on scholarships and cycles for everyone. The distribution question needs attention, and better communication of the state government's vision would help. One must also realise that what makes balancing various objectives much more challenging is the low level of overall public spending on education in Bihar.

To recap, the systems for the delivery of entitlements and incentives need streamlining. There is a need to return to the former system of distribution of textbooks and uniforms. DBT for school uniforms should not be tied to attendance criteria. On scholarships, there needs to be a proper information system, help desks for assistance to students in filing applications, simple

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<sup>&</sup>lt;sup>92</sup> Jyoti was the only girl who could join the discussion, which was being held online. Other girls could not because of a lack of mobile access, we were told. Even if a phone is available in the family, since ownership is shared within the family, girls have no real access. Lack of ownership of devices is an important obstacle not just for education but also for overall functionality and participation of girls.

and accessible helplines, and grievance redressal mechanisms. For greater predictability of flows a time-bound calendar must be implemented. The pending money due to the students should be released at the earliest.<sup>93</sup>

# V.5 The fast-changing systems of Financial Flows

In the last few years, there have been major changes in the system through which the transfer of money for scholarships and other entitlements takes place. Earlier the money would come to the schools and teachers were responsible for dispensing it to the students. This system was changed when bank accounts were made mandatory. The scholarship was transferred to the school's account and through RTGS it was transferred further to the student's account. Now the system has again changed, and money comes to the student's account bypassing the school.<sup>94</sup>

As a school Principal described it, the present system has brought in greater centralisation. "We are unaware of who is getting what, whether the money is coming to all children's accounts. We keep hearing from children that money has not come. But what can we do? There is no one at the district level, including the district education officer, whom we can approach. One must go to Patna for it. In the earlier system, there was scope to correct the problems. When a parent said that the money has not reached her child's account, we would cross-verify and ask for the IFSC and the account number again. However, now such a thing is not possible. The mechanisms are fast changing. They are becoming more complicated."

One suggestion is to have a phone-based grievance redressal system. "There should be a person available over the phone who takes note of the complaints and the issues students are having and responsibly respond to them. For rural areas that is the only solution. People cannot file complaints online. Even the availability of a phone is a luxury here." While the school administration sees the problems with this centralised system, they do not want to go back to the old system. "I am relieved that we no longer must deal with this matter. Since working hands are very less, disbursal of scholarships takes up valuable time. We have no clerk, no librarian, and no one to operate the computer. There is a tremendous load of administrative work. If we had additional hands, then the former system is a much better one," confided a senior Principal.

Another recent makeover has been for SMSA flows. The composite grant, and other small grants, under SMSA, are small but useful pools of money. There is a transition underway, (applicable to all states) in the way the money flows are to be organised. Government schools have been ordered to close their existing SSA accounts. During the pandemic, the deposits in the accounts are being returned and a new system is being launched, about which the school administration has only partial knowledge. As a head of a primary school shared, the schools have no money at present for any development work as all the money has been recalled by the SSA. Teachers are paying for the use of sanitizers in schools, we were told.

Rather than creating remote, centralised, and complicated systems, more resources and power should flow to schools in terms of untied grants and proper staff strength so that teacher teams may function effectively. Our conversation with teachers and bureaucrats convinces us that schools cannot be bypassed in the money flows since these are the nearest point of contact for the user. Essentially, schools need to be empowered through decentralised mechanisms and proper resourcing.

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<sup>&</sup>lt;sup>93</sup> See Bose and Sharma (2022), for more suggestions on how to make the system more transparent and effective, based on feedback from teachers.

<sup>&</sup>lt;sup>94</sup> For Bihar, there is a software known as Medha-soft where children's names - along with bank details - are entered by school and then picked up by the department for DBT payments. This year as well as the last, teachers were told to give all children's names who are enrolled for the DBT (irrespective of attendance).

## VI. Recommendations for Bihar

The following recommendations provide direction for greater *adequacy*, *effectiveness and equity of spending* on school education.

# Adequacy

- ❖ Bihar needs a big push to raise the existing level of expenditure on school education. The state must prioritize education, and school education, in its spending programmes. However, given the low revenue base of Bihar, the state on its own can raise expenditure only to a limited extent. A special package of well-designed central assistance for Bihar, tied to the idea of equalisation, should be worked out for the state.
- ❖ This would ease the supply-constrained situation observed across all schemes and dimensions of school education. For instance, filling various gaps in minimum facilities that RTE lays down is crucial. Budgetary announcement (2021-2) on recruitment of teachers and principals should become the *policy in practice*, and to enable that additional resources are necessary. Filling teacher gaps is the most crucial aspect and must be done with professionalism to help rebuild the trust deficit among teachers. Not only will hiring teachers, other staff, and faculties and expanding capital projects benefit school education, but they will also create additional jobs, which will have a multiplier effect on the local economy as it recovers.
- Similarly, the announcements for ICT expansion in schools in the Bihar budget (2021-2) are not backed by adequate allocations. ICT investments are conspicuously absent from the Bihar budget on school education. Schools need ICT labs. The gendered patterns of ownership of devices have emerged as an issue, which needs to be addressed through investments in public digital infrastructure, among other things.

# Effectiveness of spending

- ✓ Decentralised mechanisms that provide sovereignty and flexibility to the state in the various centrally sponsored schemes (with suitable checks and balances) will raise utilisation of funds and ensure that the funds meet the critical gaps.
- ✓ Schools need to be empowered through decentralised mechanisms and proper resourcing. Rather than creating remote, centralised, and complicated systems, more resources and power should flow to schools in terms of untied grants and proper staff strength so that teacher teams may function effectively. Our conversation with teachers and bureaucrats makes it clear that schools cannot be bypassed in the money flows since these are the nearest point of contact for the users.
- ✓ On scholarships, there needs to be a proper information system, help desks for assistance to students in filing applications, simple and accessible helplines, and grievance redressal mechanisms. For greater predictability of flows a time-bound calendar must be implemented. The pending money due to the students should be released at the earliest.
- ✓ There is a need to return to the former system of distribution of textbooks and uniforms. DBT for school uniforms should not be tied to attendance criteria.
- ✓ Implementation and evaluation must go hand in hand. Systems of social audits, internal audits, and administrative redressal mechanisms are necessary steps in this direction.

# **Equity**

- ➤ Rights-based scholarships for marginalised social groups must take precedence when it comes to the allocation of budget. These schemes, by definition, ought to be demand based. There is a need for transparent and timebound mechanisms, which are accountable to the stakeholders, and, preferably, a legal framework to protect the interests of the marginalised students.
- ➤ KGBVs an important scheme for the inclusion of girls from marginalised communities needs a range of interventions and therefore proper budgetary support. The state has reported difficulty in operating secondary classes in KGBV. The State is also demanding construction costs as per the latest schedule of rates on the pending civil works, whereas the GoI expects Bihar to finance the additional cost from the state's resources.
- There is a need for a multi-pronged approach to address the issue of OSC, including those at risk of dropout. This could include measures such as additional financial assistance to the most vulnerable groups that could be tied to minimum attendance. It can be of an order that covers the direct costs/opportunity costs of schooling and entails a regular flow of money. Plus, the existing incentive and entitlement programmes must be implemented. The unit cost of special training of OSC under the SMSA needs to be raised to a more adequate level to ensure that the training is substantive and meaningful. Going forward, building back stronger needs to be the mission so that educational inequality in the country does not widen further.

# A detailed Summary of Recommendations for Bihar

#### Out of School Children (Section III, III.2, V.1)

Official surveys have routinely underestimated the number of out-of-school children(OSC). There have to be genuine efforts at the identification of OSC, especially among marginalised communities and vulnerable populations. Community-level surveys should be used to identify OSC, while those at risk of dropout are to be identified via schools.

The issue of dropouts is closely related to the conditions of schools. The government should try to create the right environment and conditions with adequate teachers and infrastructure, for children to come back to school.

More resources are necessary for schools with a substantial presence of marginalised social groups. This should enable smaller class sizes, availability of skilled, experienced & sensitive teachers in schools, etc.

Provide adequate budget for special training of OSC. The present unit cost of Rs 500 per child monthly does not allow more than one teacher for 30 children, whereas teaching OSC children would generally require greater effort, skill, sensitivity, and resourcefulness. There needs to be an urgent revision of the unit costs for special training of OSC to at least Rs 1000 per child per month. After a student is mainstreamed, there is a need for greater handholding and support from teachers.

Rebuild school-community linkages through school programmes, meeting of SMCs & PTAs, and campaigns for returning to schools. The involvement of CSOs is essential. Many CSOs have access to vulnerable communities and are actively engaged in working to promote their development.

A full attempt should be made to re-enrol OSC in schools. For those unable to re-enrol in schools after the 10th, facilitate admission to National Open Schools and pay their fees, so that education till class 12th is free.

Rigorous implementation of labour laws in the states will discourage dropouts.

# Access to schools (Section IV.1)

Fulfil the promise of one higher secondary school in every panchayat in a timebound manner.

Ensure access to schools and all the school facilities for all including those without the requisite papers, eg., returnee migrants.

Conduct school mapping as a tool for planning and for determining the necessary investments. It should involve the community and all stakeholders. Include unrecognised schools as part of school mapping.

# Infrastructure (Section III.2., V.3)

The slowdown in capital investments during the past two years needs to be made up with accelerated investments from 2022-3 onwards. The present student-classroom ratio is adverse, requiring major investments.

To meet the infrastructure shortage, shift schools can provide a temporary solution but the need is to plan for massive capacity creation in public schools.

Improvement of WASH facilities is an urgent requirement. 18% of government schools do not have handwashing facilities in Bihar (UDISE, 2019-20)

# Teachers (Section III.2, V.3, V.5, VIII.3)

Fill up vacancies for teachers as announced in the budget speech (2021-2) to make the schools RTE compliant. Fill up vacancies for (i) SCERTs & state teacher training institutions; (ii) administrative and supervisory positions at various levels; (iii) school staff comprising of peons, clerks, guards, and sanitary workers.

Formulate a plan on how to resolve the guest/contract teacher issue.

Teachers' safety, their health, regular income & social security, and privacy issues which were compromised during the pandemic, need to be prioritised.

Reduce the administrative workload on teachers and appoint extra staff. Teachers should be left to teach.

Teachers' capacities to deliver through offline and online modes and handle the large gaps in learning (as well as differential levels across children in the same class) have to be enhanced. Continuous sensitisation of teachers on issues of marginalisation and exclusion is necessary.

Teachers' voices are to be heard and integrated in policy decisions.

## Textbooks and Uniforms (Section IV.2, V.3)

Textbooks (with notebooks) and uniforms are to be provided in kind and not in cash. This will take care of the problem of inadequacy of money to cover the cost/ delayed payment/ unwillingness to buy, etc, besides being cost-effective. Ensure timely delivery of textbooks and uniforms.

Extend free textbooks (with notebooks) and uniforms to all students till the 12<sup>th</sup>.

The money for uniforms should not be tied to attendance. And, the arrears on uniforms for 2020-1 should be paid, along with uniform money for 2021-2.

States must report on the exclusions in entitlements (how many students received, how many didn't receive & the reasons for the same).

# Mid-day Meals (MDM) (Section IV.1, V.2)

Restart cooked MDM in schools immediately.

Reverse the stagnation in MDM expenditure to (i) enhance coverage to all students in GSs, especially preprimary; (ii) enhance nutritional standards by providing banana/ boiled egg/ milk, etc. (iii) include breakfast as suggested in NEP (2020).

Address issues of shortages and exclusions in schools observed on the ground. Ensure mandatory social audit of MDM in two of the poorly performing districts of the state every year as per the Central guidelines issued according to the NFSA, 2013.

Conduct an assessment of children's nutritional and health standards through BMI and other indicators, as children return to school.

## Gender (Section IV.1.1, IV.2)

Constitute a gender inclusion fund as per the NEP (2020). It can be used for additional scholarships for adolescent girls from marginalised sections to retain them in schools. It should be designed as a regular payment (rather than a one-time one) to cover the direct & indirect costs of education. It could be a temporary scheme for three years.

While Bihar has prioritised girls' education, KGBVs have special relevance for meeting the educational needs of girls from marginalised communities. The per-child allocation on KGBVs declined by half in 2021-2 and the gap between proposed and allocated funds have grown in recent years, which must be reversed immediately. Expansion of KGBVs to be accompanied by an expansion in funding, or else quantity-quality trade-offs will deepen. Fill the gaps in KGBVs relating to subject teachers, infrastructure including WASH facilities, special training for OSC, the orientation of personnel on adolescent issues, gender-specific needs, psycho-social needs & skill training.

Along with gender-specific schemes, gender should be a cross-cutting theme in all policy formulation and strategies on education including budgeting at all levels.

Unequal access to digital devices for girls needs to be addressed (refer to the recommendation on ICT below).

# Scholarships (Section IV.3, V.4, V.5)

Given that economic factors matter in determining whether a child will continue or drop out, additional cash incentives tied to school attendance for adolescent children from marginalised groups should be considered.

Prioritize scholarships for marginalised groups as per the Constitutional mandate. Money for post-matric and pre-matric scholarships, including arrears, must be credited on priority. Ensure smooth functioning of PMS portals.

Scholarship programmes for marginalised groups have been severely supply-constrained. A central law should be brought in to guarantee the scholarships for the SC/ST/OBC/ minority and ensure their smooth and timely disbursal

The system of scholarships has become more centralised and remote, and money flows erratically, especially for pre-matric and post-matric scholarships. Suggested steps for improved delivery from the point of view of the students, are: (i) setting up calendars with timelines for announcement of scholarship schemes and when the money will be received, and implementation of these timelines (ii) orientation of school teachers, who will in turn orient parents with full information on scholarships; (iii) availability of complete information on the state website so that parents are aware of the various schemes and scholarships, their application conditions, process of making necessary documents, post application status, maximum time for receipt of amount, complaint mechanism etc; (iv) setting up accessible and responsive grievance redressal mechanism (with phone lines) (v) a rule should be made that children whose money does not reach their account will be given cash money; (vi) both online and offline forms should be accepted; (vii) help desks in schools for assistance on filling scholarship forms and support from the administration on banks accounts, caste and income certificates. This would resolve some of the issues of timeliness, access, paperwork, and process.

# Banking (Section V.4)

Accessibility of banks and costs of transactions need to be reduced

The government should pass an order to commercial banks to open a zero-balance account with no requirement for a minimum balance for the students. It should be mandatory for banks to open student bank accounts and students shouldn't be turned back.

Students are to be notified through SMS about credit/debit transactions to avoid repeated trips to banks. SMS charges are to be waived for students.

Proper line-item description in bank passbooks for the DBTs via PFMS to inform parents what the money is for is necessary.

### ICT (Section II)

Universalising digital education must be an ongoing systemic program of the government to improve the educational prospects of all students over the long term.

There is a need to establish public digital infrastructure in schools, panchayats, and public libraries, for individual and community access by students. This would require major investments by the governments.

Provide free internet connectivity to students through 'zero rating'.

Teacher professional development related to ICT in education has to be an important arm of the design.

In-house capacity for ICT education should be developed (rather than relying on private vendors), as Kerala and Karnataka have done.

# Financing Gap and how to meet it: The Macro-perspective (Section III.1)

Bihar needs a big push to raise the existing level of expenditure on school education, the additional funding has to come from the Central government majorly. Despite important progress, there are massive gaps in financing public education in Bihar. The expenditure on elementary education in Bihar is only one-fourth of the total expenditure required if one were to follow the RTE-compliant norms at the school level and also provide the requisite systemic resources that would ensure that the system delivers.

The center-state share of Bihar in CSS should be 90:10 (instead of 60:40) to give Bihar more fiscal room for spending.

The priority accorded to education in overall spending in Bihar, though still high, has gone down from an average of 26.5% (2010-2015 period) to 22% (2015-2020 period). The state should try to reprioritize

educational spending from the larger pool of central taxes now flowing to the state. Within the overall allocation on education, Bihar must prioritise expenditure on education of marginalised groups and vulnerable communities and balance policies that bear on the overall state of public schools and the compensatory policies.

Local conditions should be reflected in expenditure policies. Institute feedback mechanism, so that the schemes can become more effective and have elements of the bottom-up approach. This will have to be accompanied by a far greater awareness and demand for educational rights. More information, data, and credible evaluations are essential aspects of this approach.

Note: The recommendations in blue relate to non-monetary aspects.

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# Appendix

# Table: Schools taught by teacher respondents in the Bihar Survey

S/No	School District	School Grade	School Region
1	West Champaran	Class 1-8	Urban
2	Gaya	Class 1-10	Rural
3	Muzaffarpur	Class 1-8	Urban
4	Patna	Class 1-8	Urban
5	Nawada	Class 1-5	Urban
6	Patna	Class 1-8	Rural
7	Patna	Class 1-8	Rural
8	Muzaffarpur	Class 1-5	Rural
9	Patna	Class 1-8	Urban
10	Samastipur	Class 1-12	Semi-urban
11	Samastipur	Class 1-8	Rural
12	Patna	Class 1-12	Semi-urban
13	Patna	Class 1-12	Semi-urban
14	Patna	Class 1-10	Rural
15	Buxar	Class 1-5	Rural
16	Kaimur	Class 1-12	Rural

## Acronyms

ASER Annual Status of Education Report AWP&B Annual Work Plan and Budget

BPL Below Poverty Line

CAG Comptroller and Auditor General

CBGA Centre for Budget and Governance Accountability

CSO Chief statistic Office

CSS Centrally Sponsored Scheme
CWSN Children with Special Needs
DBT Direct Benefit Transfer

DIET District Institute of Education & Training

GDP Gross National Product GoI Government of India

GSDP Gross State Domestic Product HDI Human Development Index

ICT Information and Communication Technology

KGBV Kasturba Gandhi Balika Vidyalaya

LFPS Low Fee Private School

MDM Mid-Day-Meal

MHRD Ministry of Human Resource Development NCDHR National Council for Dalit Human Rights

NCPCR National Commission for Protection of Child Rights

NEP National Education Policy NFHS National Family Health Survey

NITI National Institution for Transforming India

NSP National Scholarship Portal NSS National Sample Survey OSC Out-of-School Children PAB Project Approval Board

PCESE Per Child Spending on School Education

PMS Post Matric Scholarship
PREMS Pre-Matric Scholarship
PTA Parent-Teacher Association

PTR Pupil-Teacher Ratio

RMSA Rashtriya Madhyamik Shiksha Abhiyan

RTE Right to Education

RTGs Real Time Gross Settlement

SCERT State Council of Educational Research and Training

SCR Student Classroom Ratio

SMC School Management Committees

SMSA Samagra Shiksha Abhiyan

SS State Schemes

SSA Sarva Shiksha Abhiyan

UDISE Unified District Education System for Education

UN United Nations

UNESCO United Nations Educational, Scientific and Cultural Organization

WASH Water Sanitation and Hand Hygiene