

PRIMER ON BUDGET ANALYSIS

Taking the Case of Elementary Education

CBGA

2007

Centre for Budget and Governance Accountability

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TAKING THE CASE OF ELEMENTARY EDUCATION



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Centre for Budget and Governance Accountability
(cbgaindia.org)

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PREFACE

Budgets play a pivotal role in governance. It is largely seen as an essential tool adopted by the State to deliver a wide range of responsibilities. Government budgets are policies that affect every sector of the economy and every section of the population. Thus, the policy concerns steering the Budget and its implementation find resonance in the day-to-day lives of people.

The role played by the government while not being essentially co-terminus with formulating the budget and providing key guidelines on its implementation, has been diluted gradually. What has been and continues to be a major responsibility of the State has gradually moved from the public domain to private provisioning and administration. This phenomenon merits due concern as continued withdrawal of the State from provisioning for basic services such as education can lead to several social and economic issues, such as inequality, exclusion, and erosion of secular framework of education.

Towards this direction, a primer that also comes in handy as a ready-reckoner on issues related to budgetary provisions and public finance issues is useful, not only for the civil society institutions engaged in budget work and policy advocacy but also for field level functionaries associated with implementing programs on budget and policy advocacy. This document makes an attempt to fill the inevitable gap of providing the information (knowledge) as well as the techniques to be adopted (facilitation tools) to transform knowledge into practice.

The Primer is structured in the following manner: (a) Primer on Civil Society Budget Work and (b) Primer on Budget Analysis: Taking the Case of Elementary Education, as part of the CBGA Manual Series.

The Primer on Civil Society Budget Work goes a step forward in drawing attention to the budget making process and indicative methodology for the civil society engagement in the process. The second manual “Primer on Budget Analysis: Taking the Case of Elementary Education” examines the issues related to financing of elementary education in India. We believe that the success of any budget advocacy initiative lies in its capacity for demystification and democratization. We hope the documents would help numerous activists in comprehending the issues related to Budget and the sectors we are interested in.

We take responsibility for any omission and mistakes in these documents. We would also appreciate any efforts put by our readers to convey us the mistakes and suggestions for any improvement. We also urge our readers to feel free to disseminate the documents in the interest of civil society activism.


– Contributors

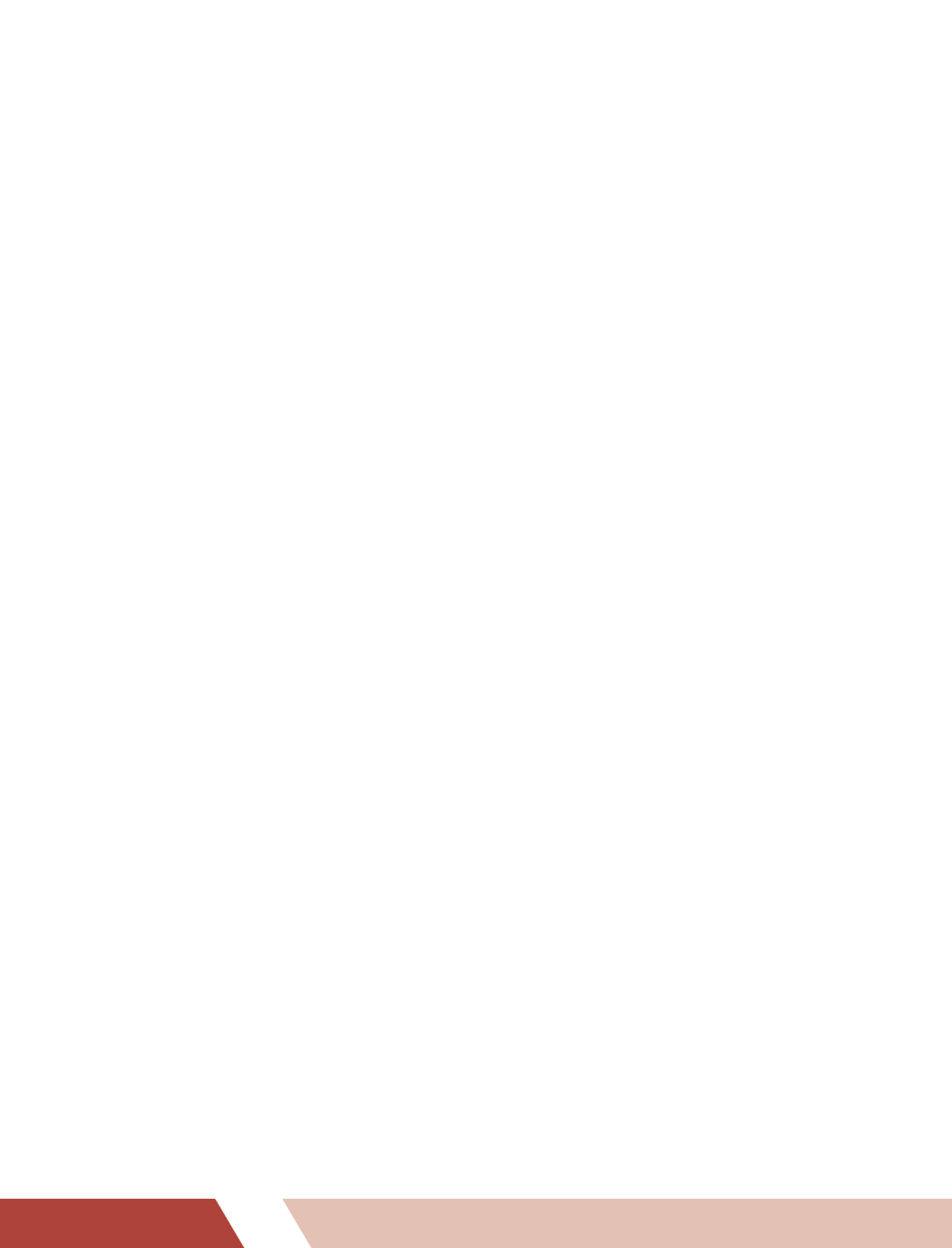




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SETTING THE CONTEXT

Education is one of the major components of development. This is one of the three constituents of UNDP's Human Development Index (HDI), which measures the level of development of people living in various countries. Raising the educational development of people is one very important development goal. The Indian Constitution has provisions to ensure that the State provides education to all its citizens. The present proposal concerns itself in analyzing the status of education and its administration by 'authorities'. Yet another component of this initiative is to develop the capacities of CSOs/NGO activists by way of questioning the budget allocation and governance accountability as it impacts the education sector.

Under the Constitution as originally enacted, education was primarily a State subject. Under Article 42 of the constitution, an amendment added in 1976, education was transferred from the state list of responsibilities to the Central Government. The implication of this amendment is that education has become a Concurrent Subject which enables the Central Government to legislate in such fields as, for example, school education.

The Central Government by the 93rd Amendment Act has amended the Constitution to make primary education a fundamental right of every child between the age group of 6-14 years. This implies that the State must provide free and compulsory primary education to all the children of age 6-14 years. Earlier, this was under the Directive Principles of State Policy in the Constitution, and the government was not obliged to the same. Yet another provision in the Constitution, which has an indirect but significant bearing upon the role of the Government of India in education, is entry 20 of List III, which is concerned with "Economic and Social Planning". Education Planning being an essential element of economic and social planning, the Government of India and the State Governments have to work together in preparing and implementing the national plans for the reconstruction of education. The Government of India is also responsible under the Constitution for the administration of the Union Territories and has for this purpose executive and legislative authority for all subjects including education. Education being a subject on the Concurrent List of the Constitution, the state

governments are also responsible for providing education to the people living in the state.

After the 73rd and 74th Amendments of the Indian Constitution, the Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) have been given a Constitutional status and they have become the institutions of self-governance. Primary education is one of the 29 subjects given in the Eleventh Schedule of the Constitution, which the state governments can transfer to the PRIs and ULBs. In many states, implementation of primary education has been brought under the purview of the local governments.

GOVERNMENT OF INDIA'S COMMITMENT TO EDUCATION AT VARIOUS INTERNATIONAL FORA

India has often affirmed 'Education for All' as an important national goal to be achieved. Way back in 1968, when Kothari Commission suggested that we should spend at least 6% of our GDP on education. Since then, India has repeatedly affirmed its resolve to provide at least the recommended 6% of the GDP to education. Also, a commitment to provide adequate funds in order to achieve 'Education for All' by 2000 was made by India at the World Summit on Education at Jomtien in 1990. Most recently, in 1992, the resolve was again repeated at the Nine Country Summit on Education at New Delhi. In the year 2000, the General Assembly of the United Nations, adopted 8 Millennium Development Goals (MDGs). Achieving the universal primary education - 'to ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling' - is one of the 8 MDGs. Being a UN member country, India is expected to abide by the Millennium Development Goals.

THE STRUCTURE OF EDUCATION SERVICES

The efforts to provide primary education to the children are made at all three levels of governance. We discuss the structure of school education services at various levels of the governance.

At the **Central government level**, the Department of Elementary Education and Literacy and the Department of Secondary and Higher Education under the Ministry of Human Resource Development are responsible for providing education services to the people and also to formulate education policy at national level. Currently, the Department of Elementary Education and Literacy is running Sarva Shiksha

Abhiyan (SSA), a centrally sponsored scheme with the goal of providing primary education to all the children in the country. District Primary Education Programme (DPEP), an externally supported programme, is another major initiative by the central government. Kendriya Vidyalayas and Navodaya Vidyalayas are also centrally run schools, which come under the Education Department.

The Department also supports the National Programme of Nutritional Support to Primary Education, which is also called Mid-day Meal Scheme. By providing cooked midday meal to the children, the scheme aims to increase the level of enrolment and bring down the school dropout rates, besides providing nutritional support to the children. In its Common Minimum Programme, the United Progressive Alliance (UPA) government has promised to extend this programme for secondary education as well.

For adult education, there is a National Literacy Mission, which aims to impart functional literacy to all the non-literate persons in age group 15-35 years.

At the **state levels** also the Department of Education in various states are responsible for providing education services to the people. Apart from providing general school education, some of the state governments also have initiated their own innovative education projects, with the support of the Central Government and the external funding agencies. The education departments of the state governments also implement the centrally sponsored schemes in education like SSA and the midday meal schemes in the government schools. In an earlier order (28 November 2001), the Supreme Court had directed all state governments to provide cooked mid-day meals in all primary schools within six months. Four years beyond this deadline, however, the Commissioners' reports highlight extensive violations of this order. These range from complete failure to initiate mid-day meals in some states (notably Bihar and Uttar Pradesh) to partial implementation in many others.

At the **local levels** the PRIs and ULBs have been given responsibility for implementation of primary education programmes. Constitutionally, the local governments are also responsible for planning for the development of the area. The micro planning in education is seen as an important role for local governments. The situation in various states is different and in many of the states, the PRIs and ULBs have not been given their due place. At the **district levels**, there are district education officers and at block levels, block development officers are responsible for the implementation of educational programmes.

In most states, Village Education Committees (VECs) have been formed at **village levels** to look after the educational affairs in the village. These committees have been formed under the projects/schemes like Lok Jumbish, Shiksha Karmi DPEP, SSA and others.

Most of the primary schools in the country are government schools.

CIVIL SOCIETY INVOLVEMENT

Education is the basic need for realising development. The Indian Constitution in its 86th Amendment Act has provided for State intervention in provisioning of elementary education to all its citizens and schemes like Sarva Siksha Abhiyan (SSA) have been launched. Recent years have demonstrated the need for people's participation in planning given the overwhelming discrepancies in implementation of well-meaning schemes.

In the context of education, Civil Society participation needs to be comprehensive. From keeping a watch on the allocations to participating in implementation of government policies, the entire spectrum needs to be accounted for effectively.

Budget is perhaps the most important indicator to see the government's commitments towards universalisation of elementary education. So, monitoring the education budget is essential to realise 'Education for All'. To this end, capacity building of civil society agents itself is a pre-requisite.

Participation needs to be informed and knowledge-based. Specifically in this context, we see the following needs:

- 📖 Monitoring the budget at all levels of governance
- 📖 Informed questioning about the budget allocation
- 📖 Overall administrative accountability
- 📖 Proactive engagement in the implementation process

THE RIGHT TO EDUCATION

In India, 'Right to Education' is defined as the following.

1. Every child above the age of 6 years has the right to participate in and complete full time elementary education
2. The child has the right to be admitted to a school near his/her residence and to be provided quality, free and compulsory education
3. If a child, due to physical disability, economic disadvantage, or nature of occupation of his/her parents, cannot be provided elementary education in a school, has the right to be provided education in an appropriate alternative environment.
4. An enrolled child, who is unable to participate in elementary education, has the right to be provided with suitable conditions, to enable his/her participation.
5. No child shall be held back in any grade or expelled from a school until he/she completes elementary education, except through an Order of the School Management Committee (SMC).

Source: Right to Education Bill 2005, available at

<http://www.education.nic.in/elementary/RighttoEducationBill2005.pdf>

SOME PRINCIPLES OF CONSIDERING EDUCATION AS A “FUNDAMENTAL RIGHT”

It should be FREE

It should have Universal Access

It cannot be marketable and should operate with the principle of non-exclusion

Any compulsion (Social, Economic, Political, or Physical) cannot prevent the child from getting education

FREE EDUCATION IS ACTUALLY NOT FREE

We have been talking about free and compulsory education for all in the context of “Right to Education” in India. However, even the free education in government

schools involves a lot of cost that prevents parents from getting their children to school. At certain times, when the size of the family is large, such costs considerably prevent girls from getting enrolled in the school.

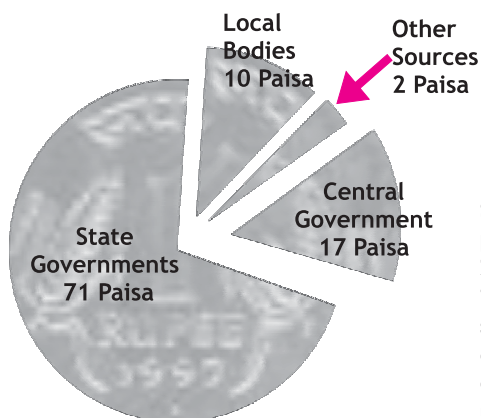
Major items of expenditure associated with education can be grouped in two heads; (a) Public Expenditure and (b) Private Expenditure

Public expenditure is the expenditure incurred by the government through its own delivery system at different levels or by making transfers to the private sector engaged in providing education. As per the situation prevailing in India, public expenditure on education is incurred on (a) educational administration, (b) infrastructure, (c) direct transfers to students in the form of benefits or scholarships, (d) transfer of funds to the private aided schools.

Private expenditure is the out of pocket expenditure incurred by the individual households and parents towards school fees, conveyance, books and stationery, uniform, tuition fees and all other associated expenses. Here, we do not take into account the expenditure incurred by private education providers as these expenses are eventually recovered in the form of fees from the parents who send their children to private schools.

There are largely three sources of finance for public elementary education in India. (a) Central Government, (b) state government and (c) the local bodies. Though external assistance in the form of soft loans and grants are a substantial contributor, for the time being we club all such expenses under the Central

Figure 1 : Sources of Public Financing in Elementary Education



Source: The figure is drawn on the basis of the information provided by Analysis of Budgeted Expenditure on Education 2004-05, MHRD and the inferences drawn on local bodies from "Education for All: The Indian Scene" (Second Edition). Other sources include expenditure on education by different public endowments, MPLADS, MLALADS, donations from religious and corporate sectors and endowments etc which are quite unpredictable sources.

Government expenses. The composition of this expenditure varies across states and over time. However, a rough and indicative estimate relevant for the recent times is as follows.

WHOSE RESPONSIBILITY?

Under the Constitution of India as originally enacted, education was primarily a state responsibility (in legal terminology, known as ‘State List’ item) and the Central Government was directly concerned with limited areas such as coordination, determination of standards in technical and higher education, etc. In 1976, by a constitutional amendment (Forty-second Amendment Act), education became the joint responsibility of the Central and state government. By virtue of this amendment Act, education became a Concurrent Subject (as known in legal terminology), which enabled the Central Government to legislate in such fields as, for example, school education.

The Constitution of India also places certain educational matters within the exclusive jurisdiction of the Central Government. These are: maintenance of Central Universities and institutions of national importance, declared as such by Parliament by law; all Union agencies and institutions for professional, vocational or technical training or for promotion of special studies or research; and the coordination and determination of standards in institutions of higher education or research and scientific and technical institutions. As shown in Figure-1, public expenditure on education is largely borne by the state governments, though the Centre also plays an important role.

Source: Kashyap Subhas, (1985) ‘National Policy on Education’ available at <http://www.education.nic.in/cd50years/g/T/H5/0TH50101.htm>

HOW MUCH DO THE PARENTS PAY FOR EDUCATION OF THEIR CHILDREN?

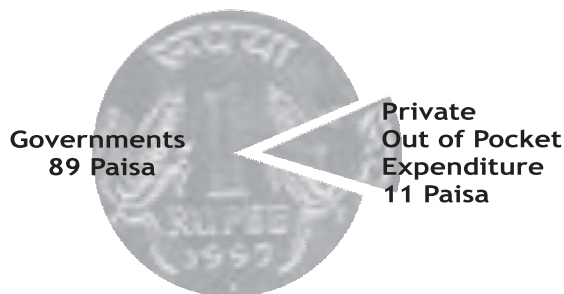
Per capita public expenditure on elementary education from all sources accounted for around Rs. 7255 in 2004-05. This seems to be a big number, but a large chunk of it goes towards salaries of teachers and other services.

The per capita out of pocket expenditure on elementary education in India is difficult to arrive at. However, micro studies conducted by different groups give different estimates for this account. The NSS 52nd Round data estimates are considered as benchmark for comparison.

An average Indian parent spends Rs. 701 on primary education and Rs. 1281 per annum on upper primary education of their children out of his pocket in 2005-06.

The total cost of availing elementary education in India in 2005-06 is Rs. 126318 Crore of which, Government bears around 89 per cent and the parents bear around 11 per cent.

Figure 2: Public & Private Expenditure on Elementary Education



Source: Private Out of Pocket Expenditure relevant for the year 1995-95 is taken from NSS 52nd Round and the figures have been adjusted for 2005-06 prices. Public Expenditure includes expenditure made by the local bodies as per the information provided in Figure 2

However, there is large variation in Out of Pocket expenditure across different States, regions and type of Schools. (See Figure 3 and Table 1) If you send your child to a Government School, a large chunk of your out of pocket expenditure

Figure 3: Comparison of Out of Pocket Expenses in Schools of Different Management

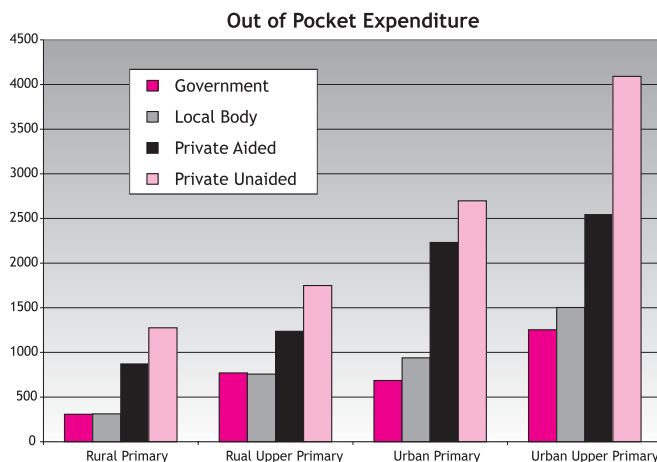


Table 1: Per Capita Out of Pocket Expenditure for Education in India

States	Rural		Urban		Total	
	Primary	Upper Primary	Primary	Upper Primary	Primary	Upper Primary
Andhra Pradesh	328	764	1373	1859	602	1148
Bihar	322	619	1246	1677	462	811
Orissa	279	841	1187	1525	398	955
All India	416	896	1609	2141	701	1281
Type of School						
Government	307	770	686	1254	360	871
Local Body	312	757	939	1504	473	1016
Private Aided	871	1236	2232	2542	1653	1884
Private Unaided	1275	1749	2696	4091	1994	3018
Fractile Group						
Poorest 20 %	196	472	486	792	276	596
20-40%	276	609	886	1156	428	805
40-60%	335	736	1400	1571	587	1016
60-80%	458	874	2156	2267	837	1260
Richest 20 %	914	1364	4284	4607	1610	2166

Deflated to present the situation at 2005-06 Prices

Source: NSS 52nd Round

will go towards books and uniforms. However, if you want to send your child to a private school, a large chunk of your out of pocket expenses will go towards school fees, books, stationery, uniform and transport. (See Table-2)

Table 2: Composition of Out of Pocket Expenses in Different Schools in 1995-96

	All Schools	Government Schools	Private Unaided Schools	Private Aided Schools
Tuition Fees	8.3	3.1	30.0	9.1
Exam Fee	4.3	4.6	3.5	4.2
Other Fees and Payments	7.1	6.5	7.9	8.1
Books	19.8	21.4	14.3	18.8
Stationery	15.7	17.8	10.3	13.2
Uniform	20.3	22.9	16.1	16.0
Transport	6.4	4.8	7.3	10.5
Private Coaching	11.9	11.7	6.4	15.1
Other Expenses	6.1	7.1	4.2	5.0
Total	100	100	100	100

Source: NSS 52nd Round

Therefore, it is clear that even the free education provided in the Government Schools is, in fact, not free. The First Principle of “Right to Education” is not followed in India. The recently conducted performance audit of Sarva Shiksha Abhiyan by Comptroller and Auditor General of India highlights affordability as one of the most pressing reason for non-enrolment in the schools (See Table-3). Lack of affordability also accounts substantially for non-attendance in India (See Table-4).

Table 3: Reasons for Non Enrolment

Reasons	Males	Females	Total
Cannot Afford School	32.7	39	36.1
Child Does not Like to Go to School	19	15.1	16.9
Too Young to Go to School	14.3	13.9	14.1
Have to Go to Work	3.4	3.7	2.9
Other Reasons	30.5	28.3	30

Source: CAG, Report No 15 of 2006

Table 4: Reasons for Non-Attendance

Reasons	Male	Female	Total
Do not Like to Go to School	27.8	20.9	24.4
Can not Afford School	23.8	24.1	23.9
Have to Go to Work	7.5	5.5	6.5
Not Good at Studies	3.1	--	3.1
Household Chores and Related Works	3.1	7.4	5.2
Other Reasons	34.7	42.1	38.4

Source: CAG, Report No 15 of 2006

Table 5: Habitations without Schools

Name of State/UT	Total No of Habitations	Habitations Without Schools	Percentage of Habitations Without Schools
Andhra Pradesh	72372	1559	2.66
Arunachal Pradesh	4261	1484	34.83
Assam	7124	2354	33.04
Bihar	5488	833	15.18
Chhattisgarh	39683	3364	8.48
Manipur	4834	1812	37.48
Mizoram	910	62	6.81
Nagaland	1429	192	13.44
Orissa	73148	12829	17.54
Tamil Nadu	64846	380	0.59
Tripura	7556	1114	14.74
Uttaranchal	25206	4013	15.92
West Bengal	3794	1617	42.62
Pondicherry	379	35	9.23
Total	311030	31648	9.23

Source: CAG, Report No 15 of 2006

WE DO NOT HAVE UNIVERSAL ACCESS TO ELEMENTARY EDUCATION

The District Information System for Education (DISE) collates school level information on various aspects of elementary education in India. According to DISE, 74 per cent of all schools having facilities for primary or pre primary education in India are more than 1 km away from the cluster resource centers (CRC).

The recently conducted performance audit by CAG highlights that more than 9 per cent of all habitations in India do not have access to schools. In West Bengal, it is as high as 43 per cent and in some North Eastern States; it is well above 30 per cent (See Table 5).

Having physical access to schools is only a limited parameter of access. Even with this limited approach, India lags far behind the ideal situation.

Table 6: Growth of Private Schools Providing Elementary Education

Year	Government	Private	Total	Private Schools as % of total
1903	107196	38678	145874	26.5
1973	495758	53392	549150	9.7
1979	534260	45780	580040	7.9
1986	705560	113404	818964	13.8
2002	755792	140594	896386	15.7
2003#	794265	125842	920107	13.7
2005#	880545	157268	1037813	15.2

Note: Government includes both government and local bodies

Private includes private aided, private unaided and private unaided unrecognized

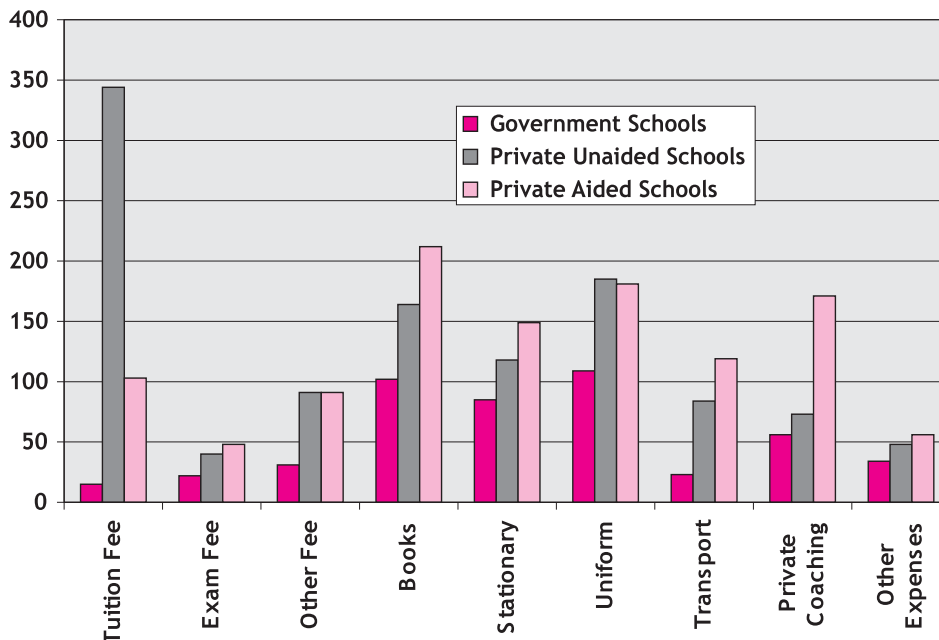
Source: 1903 Figure taken from “Statistical Abstract Relating to British India 1903-1912, Digital South Asia Library; 1973 figure taken from Third All India Education Survey; 1979 figure taken from Fourth All India Education Survey; 1986 Figure taken from Fifth All India Education Survey; 2002 Figure taken from Seventh All India Education Survey; 2003 and 2005 Figures taken from Elementary Education in India: An Analytical Report.

INCREASING ROLE OF MARKET IN ELEMENTARY EDUCATION

During British Era, when we were under colonial rule, around 26.5 per cent of all schools providing elementary education were run by private entities. After independence, efforts were taken to rationalize the same and greater emphasis was put on increasing role of the government. By the year 1979, only around 8

per cent of all elementary schools were in private hands. However, the trend again reversed and in 2005, private schools comprised of more than 15 per cent of all schools in India (See Table 6). Allowing private players to market a public good that is treated as a “fundamental right” clearly dilutes the commitment for the same and brings in the element of exclusion on economic grounds.

Figure 4: Item Wise Comparison of Out of Pocket Expenses in Different Schools



Source: NSS 52nd Round. Information given here is only indicative and based on data relevant for the 1995-96. Common understanding suggests that the situation has worsened now.

On many counts, private schools are far more expensive than the government schools. Though, even in government schools, parents have to spend a substantial amount of money out of their own pocket on items like books, stationery and uniform, it is less than the corresponding expenses in private schools. Figure 4 provides a clear comparison between the item wise expenses on elementary education in government, private aided and private unaided schools. In Figure 4, government schools include schools run by both state governments and local bodies.

CHILDREN ARE DENIED EDUCATION

An important aspect of considering education as a right is to ensure that there are no compulsions of economic, social, political and physical nature that can prevent children from getting elementary education.

As per the 2001 Census, the child population in 6-14 age group was around 21 Crore. Assuming a 1.9 per cent growth rate for total population, an additional 1.9 Crore are added to this figure every year, making it around 29 Crore in 2005. However, the Gross Enrolment (that also includes over age and under age children enrolled in elementary education system) figure for India in 2004-05 was around 15 Crore only. This leads to a rough conclusion that around 46 per cent of our child population in 6-14 years age group are actually out of school. There is no answer with us as to why such a large proportion of children are out of school. Going back to the reasons highlighted by CAG in table 3, around 17 per cent of the children who do not enroll in school and around 24 per cent of the children who are enrolled but do not attend schools do not like the school environment. A very substantial section of the population do not go to school for various other reasons. We have to find answers to these questions as well.

Table-7: Estimated Out of School Children in India

Child (6-14 age group) in 2001 Census	211910082
Projected Population in 2005 with 1.9 % annual Growth Rate@	289963242
Gross Enrolment in 2004-05#	156014030
Estimated Out of School Children*	133949212
Proportion of Children Out of Elementary School System	46 %

Note: \$ Census 2001

@ *calculated

Taken from Arun C. Mehta, "Elementary Education in India: An Analytical Report", NCERT, 2005

FINANCIAL COMMITMENTS FOR THE RIGHT TO EDUCATION

Financial commitments make the promises of the government valid. This is even more important when we are talking about something like fundamental rights. Let us now discuss the following provisions of the Right to Education Bill 2005 as highlighted earlier.

It is emphasized that every child above the age of 6 years has the right to participate in and complete full time elementary education.

It is not a vague statement. It requires that we make provision for all the 13.5 Crore out of school children in terms of schools, classrooms, teachers, and so on. But the important issue here is that we have to make these available now (either this year or as soon as possible). If we do not do this now, we shall have to make provisions for 15 Crore children next year. Delays will only add to our problem and shall bring in bigger targets.

The child has the right to be admitted to a school near his/her residence and to be provided quality, free and compulsory education.

This signifies the need to have schools near the vicinity of the residence of the children. To make education free, there should be no school fees and all the necessary study material be provided free of cost. If the school is located at a distance from the locality, it is the responsibility of the local authorities to provide for transport facilities. To ensure quality of education, teachers' training is a must and all these require money. It is not expected that the parents provide for the cost to be incurred on all these. Therefore, financial commitments from the government are necessary.

If a child, due to physical disability, economic disadvantage, or nature of occupation of his/her parents, cannot be provided elementary education in a school, has the right to be provided education in an appropriate alternative environment.

This is another important aspect of right to education. Picture this. A class is held in the first floor of the school building. For a physically challenged child, it will be extremely difficult to even reach the classroom, leave alone seeking education. Looking at this in another way, the existing norms ask for having schools with at least two classrooms and a verandah. If the verandah does not have a ramp, then it is not possible for an orthopedically handicapped child to reach the classroom. DISE data suggests that in around 88 per cent government managed schools and in 92 per cent privately managed schools, there is no ramp. Even though it is important to ensure that all children access elementary education, it might not be financially feasible that all schools have such facilities. In such a case, there should be enough number of special schools having coverage in all habitations in terms of transport and other facilities so that no disabled child is left out.

Similar is the case with the children of migrant labourers. It is estimated that

Table 8: Per centage of Schools Having Ramp

School Category	All Areas			2005 Figures (in %)			
	2003	2004	2005	Rural Areas	Urban Areas	All Government Management	All Private Management
Primary only	4.56	4.98	11.21	11.36	9.46	11.58	7.38
Primary with Upper Primary	5.03	5.16	14.48	15.19	11.17	16.06	9.21
Primary with Upper Primary & Secondary/ Hr. Secondary	8.06	8.58	12.85	10.82	15.67	15.09	11.2
Upper Primary only	4.07	4.69	8.33	8.35	8.12	8.96	5.59
Upper Primary with Secondary/ Hr. Secondary	6.1	6.64	10.87	10.27	12.75	12.73	8.21
All Schools	4.63	5.1	11.49	11.7	10.7	12.08	8.18

Source: Arun C Mehta, (2005) 'Elementary Education in India: Analytical Report 2004-05', NIEPA

around 30 per cent of the population in our country is working at a place which is away from its original or permanent residence. A large chunk of such internally migrant workers are poor and slum dwellers. There are examples of “*Pongashallas*” (migratory schools) in Maharashtra to cater to the needs of children of migrant workers in sugar factories. There should be enough provision for such schools all over the country and all migratory trades.

An enrolled child, who is unable to participate in elementary education, has the right to be provided with suitable conditions, to enable his/her participation.

No child shall be held back in any grade or expelled from a school until he/she completes elementary education, except through an Order of the School Management Committee (SMC).

There is a need to frame suitable mechanisms with tangible provisions. All these require financial resources and since all these are targeted for the most downtrodden, cannot be left to the private individuals who operate with a profit motive. Again, it is the government which has access to the economic endowments of the country and therefore is responsible to provide financial resources for the same.

STRUCTURE OF EDUCATION SYSTEM & FINANCING IN INDIA

The elementary education system in India is the second largest in the world with more than 15 crore enrolment. It consists of;

- (a) Pre Primary Education,
- (b) Primary Schooling,
- (c) Upper Primary Schooling system and
- (d) Non Formal Education.

Though pre primary or pre school system is technically not a part of the elementary system and is in an underdeveloped stage especially in rural areas, we have included it in the system due to its significance in preparing the children for their introduction to the school system. In India, Early Childhood Care and Education (ECCE) is recognised as a crucial preparatory aspect of a child's development, which



includes educational facilities for learning through structured and unstructured play activities, health care and nutrition. Another innovative mechanism called 'Day Care Centres' that assist working women belonging to the poorer sections, act as a support service to enable girls taking care of siblings to attend school.

In many states, Primary and Upper Primary Education consist of classes I-VIII and in some states it is I-VII. For our present purpose, we do consider the age criteria i.e., 5-14 years (including pre school learning) as the focus area for elementary education in India.

EDUCATIONAL POLICY AND PLANNING: PROCESS AT DIFFERENT LEVELS

Educational Policy and Planning in India is jointly conducted by the Union Government and state governments. Education Division of the Planning Commission at the Centre and State Planning Departments are responsible for it. Coordination between the state and Centre is done by the Planning and Monitoring Division of Department of Education at the Centre. A lot of technical tasks in the planning process is performed by the Central Advisory Board of Education (CABE) which consists of (a) Ministers of Education from all States and Union Territories, (b) Leading Educationalists of the country and (c) Speciality Institutions like NCERT, NUEPA and UGC.

Figure 5: Administrative Support System in Elementary Education
Political/Local bodies, Administrative and Academic Support structures in Elementary Education

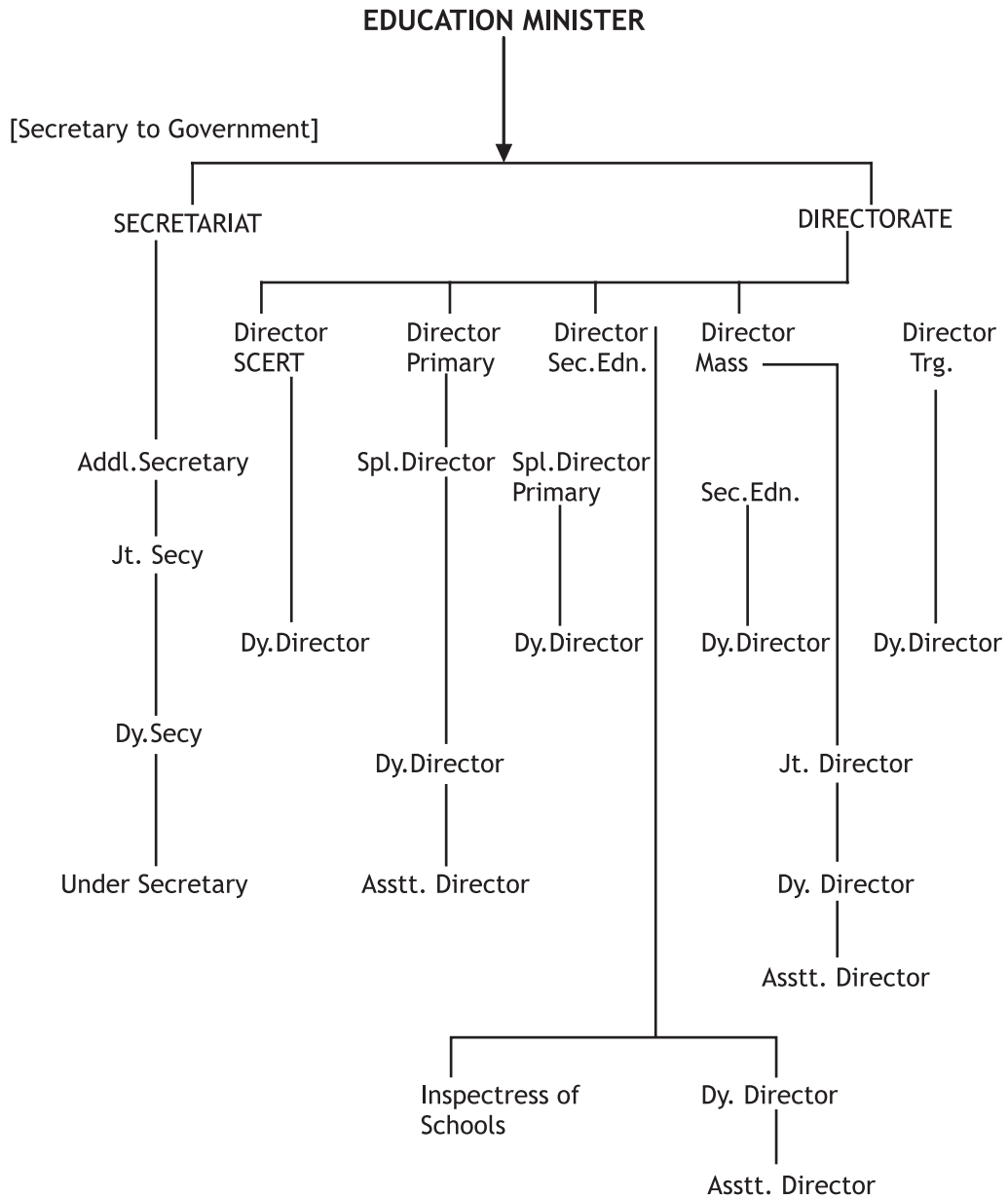
Level	Political/Local bodies	Administrative	Academic Support
State	State Ministry of Education	Secretariat/Directorate of Education	SCERT
District	<i>Zilla Panchayat</i>	District Education Office	DIET
Block/Sub-block <i>Taluka/ mandal</i>)	<i>Block Panchayat</i>	Block Education Office/ School Inspectorate	Block Resource Centres/ Cluster Resource Centres*
Village	<i>Gram Panchayat, **</i> V Edu. Committee	Headmaster	Teachers

*These structures have been created by the District Primary Education Programme, or some other similar project and, therefore, may not be present in every district.

**A Gram Panchayat generally covers a cluster of 4-8 villages, depending upon the size of population

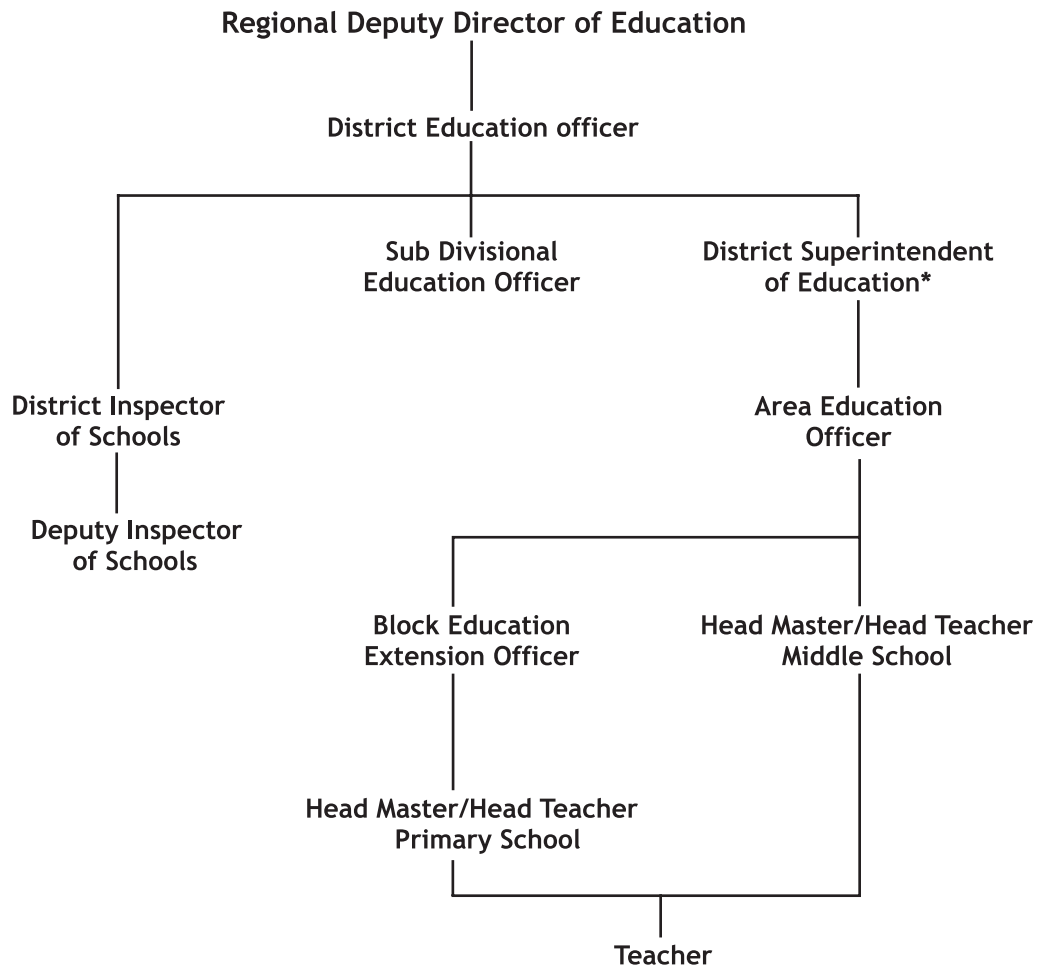
Source: Taken from the Book of Jyotshna Jha, K.B.C. Saxena, and C.V. Baxi, (2001), "Management Processes in Elementary Education: A study of existing practices in selected states in India" available at, http://www.delind.cec.eu.int/en/pressandinfo/publications/management_processes.doc >

Figure 6: Organizational Structure at State Level for Delivering Elementary Education in India



Source: Taken from the Book of Jyotsna Jha, K.B.C. Saxena, and C.V. Baxi, (2001), “Management Processes in Elementary Education: A study of existing practices in selected states in India” available at, < http://www.delind.cec.eu.int/en/pressandinfo/publications/management_processes.doc >

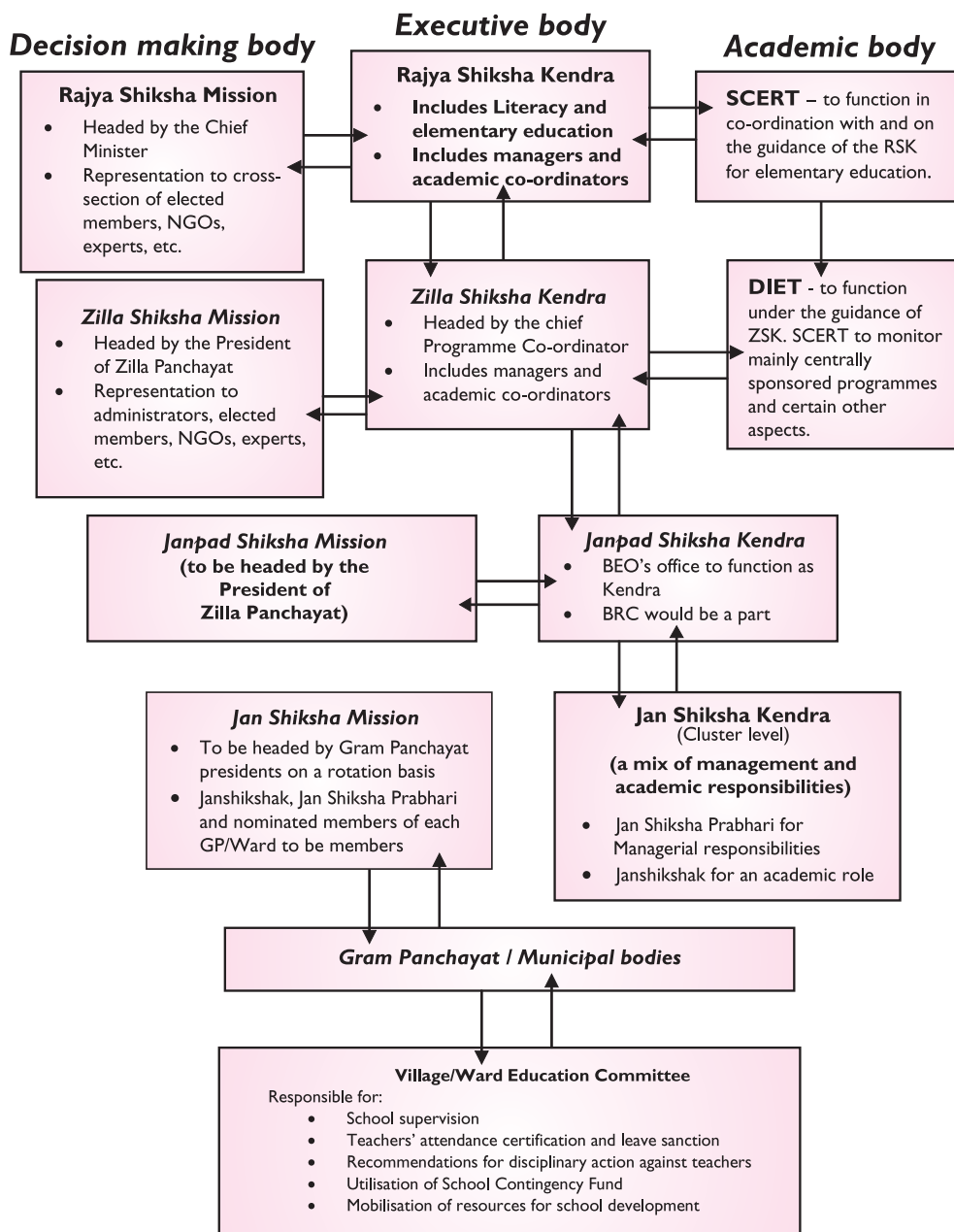
Figure 7: Administrative Structure At Below State Level



Note: * In Orissa, District Superintendent of Education who takes care of the Sarva Siksha Abhiyan is also known as District Project Coordinator (DPC)

Source: Taken from the Book of Jyotsna Jha, K.B.C. Saxena, and C.V. Baxi, (2001), “Management Processes in Elementary Education: A study of existing practices in selected states in India” available at, < http://www.delind.cec.eu.int/en/pressandinfo/publications/management_processes.doc >

Figure 8: The New Organisational Structure for Elementary Education in Some Other States



Source: Taken from the Book of Jyotsna Jha, K.B.C. Saxena, and C.V. Baxi, (2001), "Management Processes in Elementary Education: A study of existing practices in selected states in India" available at, < http://www.delind.cec.eu.int/en/pressandinfo/publications/management_processes.doc >

TRACKING THE MAJOR SCHEMES FOR EDUCATION

While it is easy to track the budget allocations for education through governance structures, it is extremely difficult to do the same for schemes and programmes especially at district and sub-district levels. However, we can track the allocations and expenditures on major schemes and make significant value addition to our advocacy for right to education.

It is said that there are more than 130 schemes running through the department of education. Not all the schemes are operational in every school. Many of these schemes are also clubbed under broader umbrella programmes like Sarva Shiksha Abhiyan (SSA). There are some other schemes that are not under department of education but are supposed to improve the education system in our country.

All these schemes operate with clearly articulated guidelines and often these guidelines are so different from each other that it is not possible for us to discuss all those within the purview of this document. Before discussing some of the specific schemes like SSA and Mid Day Meal, the following is indicative of ways to doing budget analysis for effective advocacy.

SIGNIFICANCE OF POPULAR PRESENTATION

As genuine 'Budget Advocates', our purpose is not to show our knowledge or skill but to make things simple for our friends

While it might be technically correct to present the budget analysis in numbers, it may not be suitable for popular consumption. While analyzing budgets, we always deal with big numbers and pages full of numbers making it more difficult to comprehend. Therefore, at times, it is better to present the figures in terms of per centages. Even then it might be difficult for the common people to deal with per centage figures. It is an extremely significant aspect of people centered budget analysis, especially when we work with people coming from non-academic backgrounds. We must not forget that we are 'Budget Advocates' and our purpose is not to show our own technical knowledge but to make our allies understand

clearly the case, purpose, content and demands we are striving for. Use of popular language is also another aspect of popular presentation. Use of pictures, comparative objects can help people link the issues to their daily life. Let us see how popular presentation makes issues more comprehensible with the help of three different statements conveying the same message. Suppose we are trying to convey the message that our government is spending a lot of money on interest payment based on the analysis of Union Budget 2007-08.

STATEMENT-1: In 2007-08 BE, out of the total expenditure of Rs. 680521 Crore, the amount allocated for interest payments is Rs. 158995 Crore.

STATEMENT -2: Around 23.36 per cent of the total allocations in 2007-08 BE shall go towards interest payments.

STATEMENT -3: ‘Char Anna’ of total Government spending will be towards interest payments.

Certainly, Statement -2 is simpler than Statement-1 and Statement-3 is the simplest one for comprehension of the common people. While Statement-1 is the most accurate statement (the other two are approximations only), it is advisable to use the simpler versions. However, it should also be remembered that such approximation should be within acceptable limits. We may use ‘Char Anna’ as a substitute for 23 per cent, but may not say ‘one third’ for 23 per cent.

It is even better if we can present the same information in pictures and diagrams instead of tables with numbers. Let us present the same information in the following three formats.

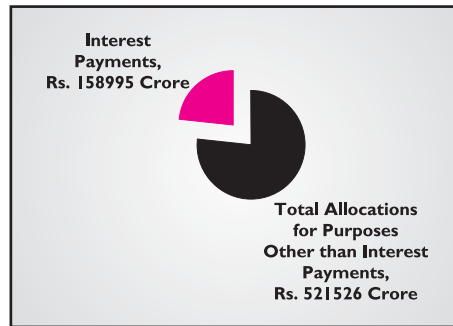
FORMAT-A

Amount Spent Towards Interest Payments in 2007-08 BE (in Rs Crore)

Total Allocations	680521
Interest Payments	158995
Allocations on Items other than interest payments	521526
Interest Payment as % of total Allocations	23.36

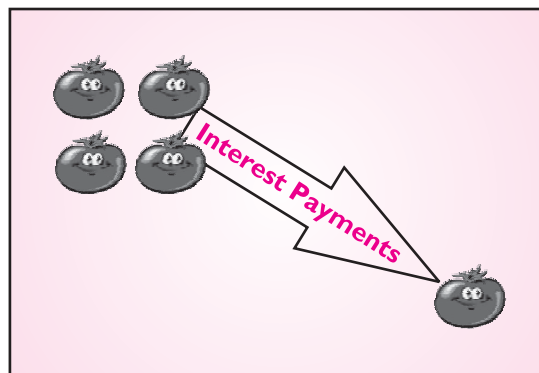
FORMAT-B

Amount Spent Towards Interest Payments in 2007-08 BE (in Rs. Crore)



FORMAT-C

Amount Spent Towards Interest Payments in 2007-08 BE (in Rs. Crore)



Clearly, Format-C is the simplest one to comprehend.

It is suggested here that making things simple is extremely necessary, but at the same time, it should not be far from accuracy. Whatever we are saying should catch the attention, but we should also not try to exaggerate issues in order to make them catchy.

Table 9: Tracking Education-related Schemes

S. No.	Name of the Scheme	Whether Central (C) or Centrally Sponsored (CS)
1	Operation Blackboard	CS
2	Restructuring and Reorganization of Teacher Education	CS
3	Non-Formal education	C & CS
4	Bal Bhavan Society of India	CS
5	Kendriya Vidyalaya Sangathan	C
6	National Council of Educational Research and Training (NCERT)	C
7	National Population Education Programme (School and Non-Formal Education)	C
8	National Open School	C
9	Education Technology Scheme	CS
10	Central Tibetan Schools Administration	C
11	National Awards to Teachers	C
12	Integrated Education for the Disabled Children	CS
13	Computer Literacy and Studies in Schools (Class) Scheme	C
14	Navodaya Vidyalya Samiti	C
15	Vocationalisation of Education in Schools	CS
16	Improvement of Education in Schools	CS
17	Assistance to Agencies for Strengthening Culture/Art/Values in Education and for Assistance to Educational Institution Implementing Agencies	C
18	Introduction to Yoga in Schools	CS
19	Scheme for Strengthening of Boarding/Hostel Facilities of Secondary/Higher Schools - Financial Assistance to Voluntary Agencies	CS

S. No.	Name of the Scheme	Whether Central (C) or Centrally Sponsored (CS)
20	Environmental Orientation to School Education	CS
21	University Grants Commission, New Delhi	C
22	Indira Gandhi Open University (IGNOU)	C
23	Commonwealth of Learning (COL)	C
24	National Council on Higher Education (NCHE)	C
25	TUA	C
26	Indian Council of Social Science Research	C
27	Indian Council of Philosophical Research	C
28	Indian Institute of Advanced Study, Shimla	C
29	Indian Council of Historical Research, New Delhi	C
30	Shastri Indo-Canadian Institute	C
31	Dr. Zakir Hussain Memorial College Trust, Delhi	C
32	Grants to All Indian Institutes of Higher Learning	C
33	Association of Indian Universities, New Delhi	C
34	Scheme of Revision of Pay Scales of Teachers in Universities and Colleges	CS
35	Punjab University, Chandigarh	C
36	Scheme of National Research Professorship	C
37	Scheme for Strengthening of Administrative, Monitoring and Evaluation System	C
38	Establishment of the National Evaluation Organisation	
39	Training of University Administrators	
40	Special Projects for Eradication of Illiteracy (TLCs)	C
41	Scheme of Assistance to Voluntary Agencies in Adult Education	C

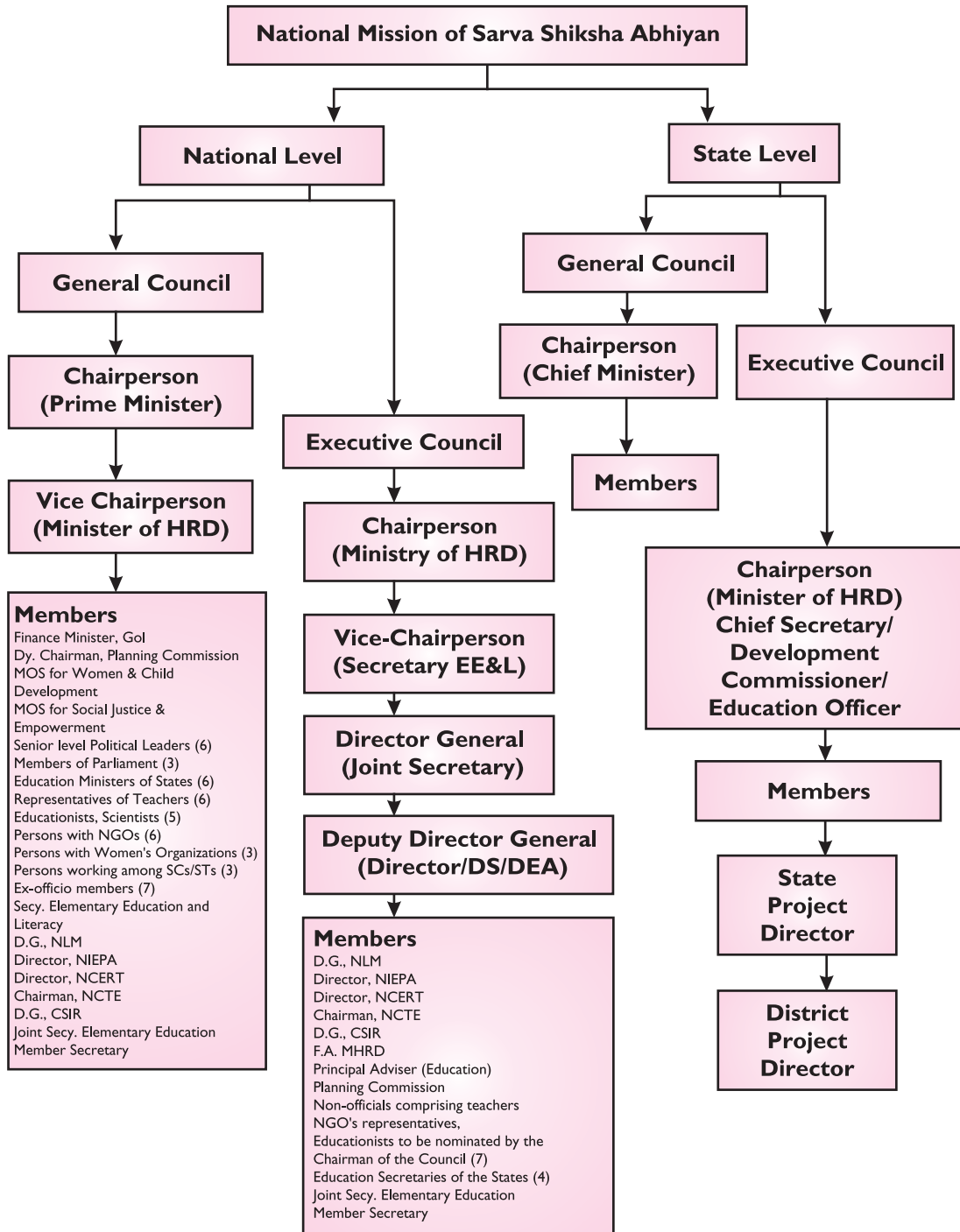
S. No.	Name of the Scheme	Whether Central (C) or Centrally Sponsored (CS)
42	Strengthening of Administrative Structure for Adult Education at State and District Levels	CS
43	Rural Functional Literacy Programme	CS
44	Post Literacy Continuing Education	C
45	Directorate of Adult Education	C
46	Mass Programme of Functional Literacy	C
47	Shramik Vidyapeeth	C
48	Technology Demonstration	C
49	National Institute of Adult Education	C
50	National Scholarships Scheme	CS
51	Write-off of Irrecoverable Loans and Advances under the National Loan Scholarships Scheme	CS
52	50% Share of the State Government in respect of Recoveries from Consolidated Loans	CS
53	Scheme of Scholarship at Secondary Stage for Talented Children in Rural Areas	CS
54	Grant-in-Aid Scheme of Scholarships to Students from non-Hindi speaking States/Union Post-Matric Studies in Hindi	CS
55	Government of India Scheme of Scholarships in Approved Residential Schools	C
56	Scholarships offered by Foreign Governments/Organisation for Higher Studies to Indian Nationals Abroad	C
57	Scheme of Scholarships to Study Abroad	C
58	Research Scholarships to Products of Traditional Institutes engaged in the Study of Classical Languages other Sanskrit like Arabic and Persian	C
59	Jawaharlal Nehru Fellowship for Post-Graduate Studies in Different Disciplines in India and Abroad	C

S. No.	Name of the Scheme	Whether Central (C) or Centrally Sponsored (CS)
60	Grants to National Book Trust	C
61	National Book Development Council	C
62	Book promotional Activities and Financial Assistance to Voluntary Organisations	C
63	International Copyright Union- India's Contribution to WIPO	C
64	Scheme of Appointment of Hindi Teachers in Non-Hindi speaking States/UTs	CS
65	Financial Assistance to Voluntary Organisations including- Hindi Prachar Sabha and other NGOs including Publications in Hindi	C
66	Propagation of Hindi Abroad	C
67	Kendriya Hindi Shikshan Mandal, Agra	C
68	Central Hindi Directorate	C
69	Commission for Scientific Technical Terminology	C
71	Assistance to Voluntary Organisations (NGOs) for Development of Modern Indian Languages (other than Hindi, Urdu, Sindhi) and in English	C
72	Tarique-e-Urdu Board	C
73	Establishment of Sindhi Vikas Board	C
74	Central Institute of Indian Languages and Regional Language Centres	C
75	Financial Assistance for English Language Teaching Institute and Regional Institutes of English Language Teaching and District Centres for English	C
76	Modern Indian Languages Appointment of Teachers	C
77	Establishment of Urdu University	C
78	Scheme of Appointment of Urdu Teachers and Grant of Incentives for Teaching/Study of Urdu	C

S. No.	Name of the Scheme	Whether Central (C) or Centrally Sponsored (CS)
79	Rashtriya Sanskrit Sansthan, New Delhi	C
80	Scheme for Development of Sanskrit through State Governments/UTs	C
81	Adarsh Sanskrit Mahavidyalayas/Shodh Sansthans and Voluntary Organisations Engaged in the Propagation and Development of Sanskrit	C
82	Financial Assistance to Voluntary Organisations Engaged in Propagation and development of Classical Languages other than Sanskrit	C
83	Shri Lal Bahadur Shastri Rashtriya Sanskrit Vidyapeeth, New Delhi	C
84	Rashtriya Veda Vidya Pratisthan	C
85	Rashtriya Sanskrit Vidyapeeth, Tripura	C
86	Preservation of Oral Tradition of Vedic Recitation and All-India Elocution Contest	C
87	Scheme of Financial Assistance for Madarsas and Maktabas	C
88	Establishment of Rashtriya Sanskrit and Classical Languages Grants Commission	C
89	Indian Institutes of Technology (IIT)	C
90	All India Council for Technical Education (AICTE)	C
91	Regional Engineering Colleges	CS
92	Indian Institutions of Management (IIM)	C
93	Technical Teachers Training Institutes	CS
94	Asian Institute of Technology, Bangkok	C
95	Programme of Apprenticeship Training	C
96	Community Polytechnics	CS
97	Regional Offices	C

S. No.	Name of the Scheme	Whether Central (C) or Centrally Sponsored (CS)
98	Longowal Institute of Engineering and Technology	CS
99	Educational Consultants India Ltd., New Delhi (EDCIL)	CS
100	Indian Institute of Science, Bangalore	C
101	The World Bank Project - Payment for Professional and Special Services	C
102	Revision of Pay Scale of the Teachers of Technical Institutions - Assistance to the State Governments	C
103	Technology Development Mission	C
104	Entrepreneurship and Management Development	CS
105	North-Eastern Regional Institute of Science and Technology	CS
106	Indian National Commission for Cooperation with UNESCO Construction of UNESCO House	C
107	Contribution to UNESCO	C
108	Auroville Foundation	C
109	Strengthening Activities of Indian National Commission	C
110	Strengthening of External Academic Relations	C
111	Publication of UNESCO ---	C
112	National University of Educational Planning and Administration (NUEPA)	C
113	Scheme of Studies, Seminars, etc. for the Implementation of Education Policy	C
114	Scheme of Area Intensive Programme for Educationally Backward Minorities	C

Figure 9: Organizational Structure of SSA



SCOPE OF SSA

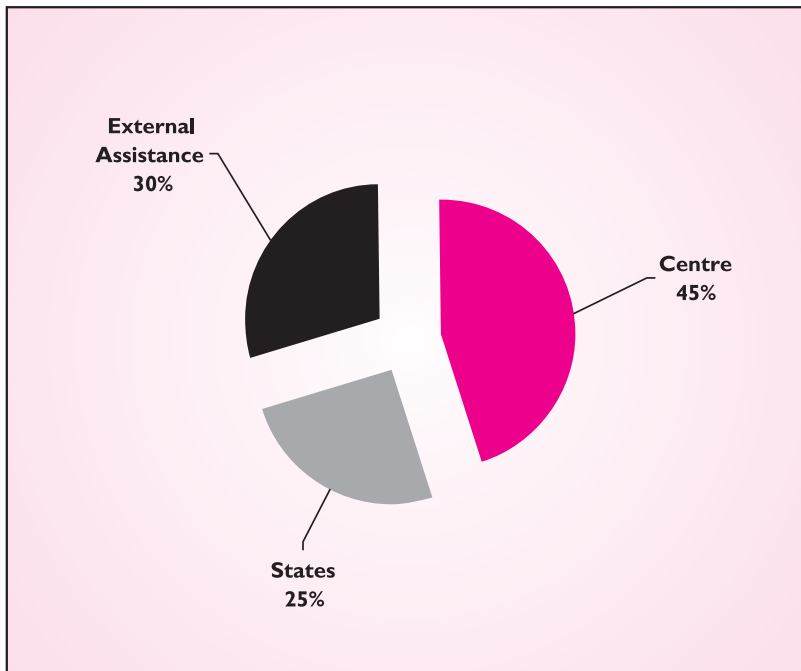
The initiatives under SSA have broadly been grouped under the following heads:

- 📖 Preparatory activities for micro-planning, household surveys, studies, community mobilisation, school-based activities, training and orientation at all levels,
- 📖 Appointment of teachers,
- 📖 Opening new primary and alternative schooling facilities like Education Guarantee Scheme (EGS)/Alternative and Innovative Education centres (AIE),
- 📖 Opening of upper primary schools,
- 📖 Construction of additional classrooms, schools and other facilities,
- 📖 Provision of free textbooks to all girls and SC/ST children,
- 📖 Maintenance and repair of school buildings,
- 📖 Provision of teaching/learning equipment for primary schools on upgradation of EGS to regular schools or setting up of a new primary school,
- 📖 TLE for upper primary school,
- 📖 School grant,
- 📖 Teacher grant,
- 📖 Teacher training,
- 📖 Opening of State Institute of Educational Management and Training (SIEMAT),
- 📖 Training of community leaders,
- 📖 Provision for disabled children,
- 📖 Research, Evaluation, Supervision and Monitoring,
- 📖 Management cost,
- 📖 Innovative activity for girls' education, early childhood care and education, interventions for children belonging to SC/ST community, computer education specially for upper primary level,
- 📖 Setting up Block Resource Centre (BRC)/Cluster Resource Centre (CRC), and
- 📖 Interventions for out of school children.

FUNDING PATTERN OF SSA

During the Tenth Plan Period, the funding pattern for SSA was on 25:75 state - Centre sharing basis. The actual composition as highlighted by CAG was 25 per cent by the state governments, 45 per cent by the Central Governments and 30 per cent by the External agencies in the form of soft loans and grants.

Figure 10: Funding Pattern of SSA



The external funding comprised of funds received from

- (a) World Bank's International Development Association
- (b) Department for International Development (DFID)
- (c) European Commission (EC)

However, it has been found that the actual expenditure under SSA has been much below the target. Over the period 2001-05, the approved outlays was Rs. 23850.9 Crore of which only Rs. 12983.56 Crore was released by both Centre and the state, of which only Rs. 11133 Crore was spent. This signifies that the actual expenditure was only 54 per cent of what was approved. However, the

actual expenditure is around 86 per cent of what was released. Therefore, we can conclude that the problem lies not just with implementation of the scheme, but a larger issue is the non release of funds that were approved.

Table 10: Budget Estimates, Revised Estimates, Approved Outlays, Grants Released and Actual Expenditure

Year		2001-02	2002-03	2003-04	2004-05	Total
Budget Estimates		500	1512	1951.25	3057.08	
Revised Estimates		500	1220.03	2732.32	4753.63	
Outlays Approved	GOI	940.42	2310.08	6410.65	8337.66	17998.81
	State Share	165.96	770.02	2136.89	2779.2	5852.07
	Total Approved	1106.38	3080.1	8547.54	11116.86	23850.88
Grant Released	GOI	498.68	1559.23	2703.98	5118.81	9880.7
	States	85.81	414.7	874.77	1727.58	3102.86
	Total Released	584.49	1973.93	3578.75	6846.39	12983.56
Actual Expenditure		172.04	1305.66	3057.48	6598.39	11133.57

Source: CAG

BUDGET ANALYSIS AT THE PROGRAMME LEVEL

So far we have been discussing budget analysis at the Union and the state level. We had already discussed before, that funds coming for specific development agenda comes through both regular budgetary channels and also through programmes. As far as education is concerned, we are aware of ongoing programmes like SSA, MDM etc. In the context of 'Right to Education', it becomes imperative to study the fund flow process through these programmes as well. The information about the programmes is largely available at the programme website. However, at the district level we need to collect information from the district programme implementation office. Budget analysis at the programme level is easy, though the scope of such analysis is also limited. However, we can draw some useful inferences on the anomalies in the fund flow, adequacy of the funds, quality of planning and the priorities of the schemes in a particular year. The following table is a summary of the intervention wise expenditure incurred under SSA in Andhra Pradesh.

Table 11: Intervention wise Expenditure under SSA in Andhra Pradesh

Name of the Intervention	Expenditure (Rs in lakh)	%age of expenditure against Total Expenditure
Civil Works	23910.26	43.62
Teacher's Salary	8026.31	14.64
Maintenance Grant	5718.08	10.43
TLE Grant	4182.92	7.63
Intervention for Out of School Children	2728.05	4.98
Teacher Training	1811.57	3.30
Management & MIS	1748.73	3.19
School Grant	1463.38	2.67
Teacher Grant	1074.83	1.96
Free Text Books	698.31	1.27
Computer Education for UP Schools	526.42	0.96
Teacher Centre	489.97	0.89
Interventions for Disabled Children	478.77	0.87
Mandal Resource Centres	468.58	0.85
Research, Evaluation, Supervision & Monitoring	378.42	0.69
Girls Education	369.46	0.67
SC/ST Education	299.64	0.55
ECCE	226.27	0.41
Community Mobilisation	166.15	0.30
SIEMAT	54.37	0.10
Total	54820.46\$	100.00

The table clearly presents the priorities under SSA. However, a budget advocate would not stop only at the priorities. Also, we know from our experience that priorities can not be judged only from the quantum of expenditure involved in different items. There are other issues also that show the commitment of the government. For example, we can compare the funds approved under SSA and the actual expenditure incurred, the delays in the fund flow process, the level of participation in the planning and so on. Sometimes we also compare the expenses across the different regions, states and districts. Let us do some SSA Programme Budget Analysis.

THE FUND FLOW PROCESS

There are generally three major routes through which funds get transferred from Centre to the implementing agencies for Universalisation of Elementary Education in India. These are (a) Planning Commission, (b) Finance Commission and (c) Centrally Sponsored Schemes. While both the Finance Commission and Planning Commission funds are routed through State Treasury, in many cases, the Centrally Sponsored Schemes bypass the State Budgetary processes.

SOURCES OF FINANCIAL DATA

While dealing with the fund flow process for elementary education, it is essential that we also have a concrete understanding of the sources of financial information. This is because, the task of assessing financial commitments are not limited to the narrow concept of 'reading *the budget documents*' only. It involves an analysis of the entire gamut of economic policy analysis.

LIST OF FINANCIAL DATA SOURCES

The following list can be used as a reference for this purpose.

- (1) Budget Documents of the Union and State Government:** These documents deal with the macro level information on the receipts and expenditures of the Government. The section called demand for grants for the Ministry of Human Resource Development also include information on the education sector in detail. The Budget Documents of the Union Government are available on Internet at www.indiabudget.nic.in. The budget documents of the state governments can be obtained from the respective state governments. The National Institute of Public Finance and Policy (NIPFP) at New Delhi maintains a good collection of Budget Documents of all states and Union Territories. The Libraries of all the Central Universities are supplied with budget documents of all the states. National Council for Education Research and Training (NCERT) maintains all relevant database on Education. National University for Educational Planning and Administration (NUEPA) established by the Union Ministry of Human Resource Development also maintains the relevant budget documents and educational statistics.

- (2) **Analysis of Budgeted Expenditure on Education:** This is an annual publication of the Union Ministry of Human Resource Development and contains budgetary information on education for both state and Union Government.
- (3) **Combined Finance and Revenue Account:** is a Publication by the Comptroller and Auditor General of India and contains audited Financial Statements for all sectors including education. Other CAG reports on Performance Monitoring of schemes like Sarva Siksha Abhiyan, Mid Day Meal etc, also provide valuable information.
- (4) **Scheme Documents:** A large amount of money for the sector is routed through different schemes. Therefore, it is also essential to have a look at the fund flow process through the schemes as well. The major Scheme budgets can be obtained from the respective administrative offices of the scheme.
- (5) **Other Documents:** These include supplementary documents like National Accounts Statistics, Economic Surveys of Centre and the States, Plan Documents, Report of the Finance Commissions and so on. Most of these documents are available on Internet.





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