

Education Budget Lacks Imagination

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The education budget for 2017–18 lacks imagination. There is a systematic defunding of important services and a renewed focus on tertiary educational institutions by the central government. The centre's share of financing the education sector has decreased, placing the burden of implementation and funding on state governments. Further, promises made last year found no mention in this year's budget which speaks volumes for the government's educational development strategy.

In terms of budgetary processes, the fourth budget of the present government is a departure from the previous year's budget in many ways. Unlike the conventional last working day of February, the Union Budget 2017–18 was presented on 1 February 2017. This time there was a merger of the plan and non-plan expenditures, and the rail budget was also presented alongside the main budget. However, the education sector has not benefited from any major announcements or allocation in this budget.

In last year's budget, "Education, skill development and job creation" as a category was outlined as one of the distinct "pillars" that will transform India. This year education, skill development and job creation is presented merely as a proposal for the "youth."

In 2017–18 (budget estimates (BE)), the Ministry of Human Resource Development (MHRD) has been allocated ₹79,686 crore, 38% of which is allocated to the Department of School Education and Literacy, and 62% to the Department of Higher Education.¹ Over time, the distribution of the MHRD's budget shows clear signs of a reprioritisation towards higher education (Figure 1, p 32).

Although, the budgetary provision for the sector has shown a 10% increase in

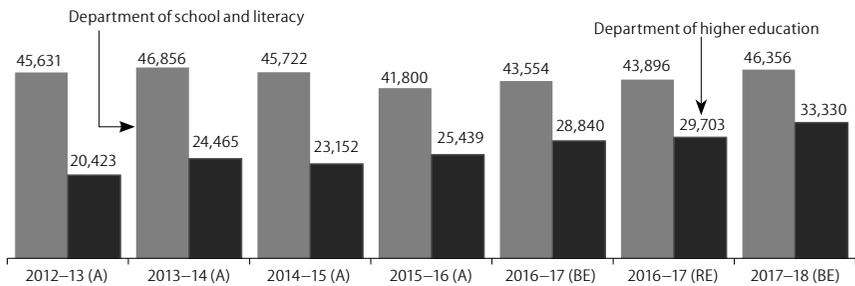
2017–18, the budgetary allocation when compared to the gross domestic product (GDP), has decreased from 0.48% in 2016–17 (BE) to 0.47% in 2017–18 (BE). The share of education in the total union budget remains stagnant at 3.7%, the same as it was in 2016–17 (BE) (Figure 2, p 32).

'Quality Education'?

Surprisingly, the 2017–18 Budget Speech overlooked discussing the financing of the "Right to Education" (RTE) and elementary education, despite widely shared concerns on low-learning levels and the need for further improvement. The recently released Annual Status of Education Report (ASER), 2016,² pointed out that after the passage of the RTE Act, the learning levels of children going to government schools actually deteriorated. Last year, the budget speech focused on the universal primary education with an emphasis on "quality education," as the next big step forward. However, this year, the only proposal in the union budget aimed at improving the quality of school education is the introduction of a system for measuring the annual learning outcomes. First, there is an ongoing debate about how measurements of learning outcomes, alone, will improve quality. Second, the budget speech is not the appropriate platform for such a proposal. It should be left to a well thought-out education policy. Nonetheless, from the budgetary allocation, it is difficult to gauge how this meagre announcement would be translated into reality. In fact, many of the promises made in the 2016–17 Budget for the education sector do not

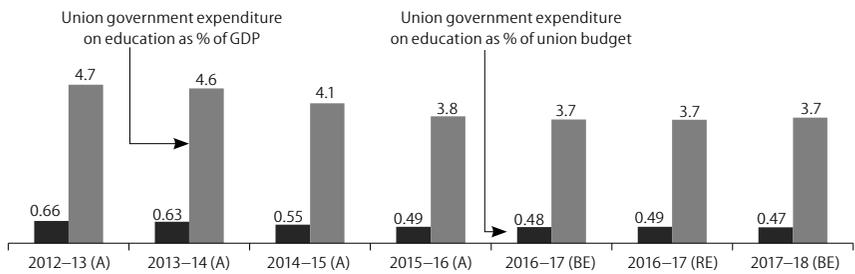
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Figure 1: Composition of MHRD Budget by Departments



BE=budget estimates, RE=revised estimates, A=actual expenditure.
Source: Union Budget, Expenditure Budget, Volume II, for various years.

Figure 2: Union Government's Budgetary Spending on Education



BE=budget estimates, RE=revised estimates, A=actual expenditure.
Source: Union Budget, Expenditure Budget, Volume II, for various years.

get substantial resource support in this budget. For example, the promise to set up 62 Navodaya Vidyalayas in uncovered districts has been supported only by an additional allocation of ₹229 crore, whereas the unit cost for construction of a standard Navodaya Vidyalaya is estimated by the MHRD to be ₹16.89 crore³ for first phase alone.

The only announcement mentioned regarding secondary education is about an “Innovation Fund” to encourage local innovation to ensure universal access, gender parity and quality improvement with a focus on information and communication technology enabled, learning transformation.

Over time, the Government of India has moved its focus from inputs towards outcomes; however, there is little effort to identify the indicators that will improve such outcomes. The government has not yet been able to fulfil basic requirements like school infrastructure and an adequate and professionally qualified teaching staff, both of which are prerequisites for quality education.

Despite the lack of trained teachers, spending on teacher's training is constantly being neglected by the union government. A sum of ₹480 crore has been allocated in this year's budget, towards strengthening Teacher Training Institutions, as was in

2016-17 (BE). The allocation for language teachers has increased from ₹25 crore in 2016-17 (BE) to ₹125 crore in 2017-18 (BE). At the same time, the School Assessment Programme has witnessed a budget cut from ₹5 crore to ₹0.67 crore. However, this programme has a limited scale and is currently operational only in a few states. The budget for the Rashtriya Madhyamik Shiksha Abhiyan (RMSA) has increased from ₹3,700 crore to ₹3,830 crore, only a meagre increase of 3.5% (Table 1).

Commitment to RTE?

With the enactment of the RTE Act, 2009, the Sarva Shiksha Abhiyan (SSA) has been the main vehicle for implementing the RTE. SSA is also the most substantive resource for paying teacher salaries, the salaries of part-time instructors and for paying for teachers' training. This year, the SSA has received an allocation of ₹23,500

crore, 62% of this amount is to be financed through an education cess (Prarambhik Shiksha Kosh), 32% through the Gross Budgetary Support (GBS), and 6% through externally aided projects. As compared to last year's allocation, there has been an increase of ₹1,000 crore in the SSA budget of the union government. However, the SSA is severely under-funded if we compare the allocations made—in the annual work plan and the budgets for the last five years—with what the MHRD committed to allocate to the states, as part of the centre's share towards the SSA. For example, in the financial year, 2016-17, against an approval of ₹46,702 crore, the MHRD allocated only ₹22,500 crore as part of the centre's share for SSA, which is not even 50% of the approved outlay (Table 2). This clearly indicates that the Ministry of Finance has not been able to fulfil the commitments made by the MHRD, and hence the MHRD is failing to keep its commitments to states.

School to Higher Education

In 2017-18 (BE), ₹33,330 crore has been allocated to the Department of Higher Education, which is 15.6% higher than the allocation under the 2016-17 Budget.

Table 2: Approved Outlay for SSA vis-à-vis Allocation by Union Government

	PAB Approval for SSA (Central Share) (₹ crore)	Budgetary Allocation (BE) for SSA by Union Government (₹ crore)	Allocation as % of Approved Outlay
2012-13	45,419	25,555	56.3
2013-14	31,016	27,258	87.9
2014-15	36,391	28,258	77.7
2015-16	40,200	22,000	54.7
2016-17	46,702	22,500	48.2
2017-18	55,000*	23,500	42.7

*₹55,000 crore has been proposed for SSA in 2017-18 (BE). Project Approval Board (PAB). Budget estimates (BE). Source: Parliamentary Standing Committee Report (no 285) and Union Budget, Expenditure Budget, Volume II, for various years.

Table 1: Budgetary Allocation for Select Schemes in Education

Schemes	2013-14 (A)	2014-15 (A)	2015-16 (A)	2016-17 (BE)	2016-17 (RE)	2017-18 (BE)
NEM-SSA	24,802	24,097	21,661	22,500	22,500	23,500
NEM-RMSA	2,679	3,398	3,563	3,700	3,700	3,830
NEM-Teacher Training and Saakshar Bharat	1,090	1,158	916	830	751	926
Kendriya Vidyalaya Sangathan	2,827	3,243	3,278	3,795	3,987	4,300
Navodaya Vidyalaya Sangathan	1,746	2,013	2,285	2,471	2,615	2,700
Mid-Day Meal (MDM)	10,918	10,523	9,145	9,700	9,700	10,000

BE=budget estimates, RE=revised estimates, A=actual expenditure.

Sarva Shiksha Abhiyan (SSA).

National Higher Education Mission (NEM).

Rashtriya Madhyamik Shiksha Abhiyan (RMSA).

Source: Union Budget, Expenditure Budget, Volume II, for various years.

This increase in allocation is on account of a higher budgetary provision for technical education over general education. The budgetary allocation for the Indian Institutes of Technology (IITs) has witnessed an increase of 80% from 2016–17 (BE). The cabinet has approved the Indian Institutes of Management (IIMs) Bill, 2017, making the IIMs, institutions of national importance. This has been reflected in a sharp increase in the budgetary allocation for supporting and setting up new IIMs in 2017–18 (BE) (Table 3).

Table 3: Budgetary Allocation for Select Components of Higher Education

Components	2015–16 (A)	2016–17 (BE)	2016–17 (RE)	2017–18 (BE)
University Grants Commission (UGC)	4,186	4,492	4,492	4,692
Grants to Central Universities	5,600	6,356	6,356	6,486
Students' financial aid	2,177	2,221	2,135	2,380
Indian Institutes of Technology (IITs)	4,365	4,984	5,389	7,856
Indian Institutes of Management (IIMs)	464	730	858	1,030
NEM–RUSA	926	1,300	1,300	1,300

BE= budget estimates, RE=revised estimates, A= actual expenditure.
Rashtriya Uchcharat Shiksha Abhiyan (RUSA), National Higher Education Mission (NEM).
Source: *Union Budget, Expenditure Budget*, Volume II, for various years.

However, the Rashtriya Uchcharat Shiksha Abhiyan (RUSA), which was designed to provide strategic funding to state higher educational institutions and was brought under the ambit of National Education Mission (NEM) in the last financial year, received no attention in this budget. The scheme has received a total allocation of ₹1,300 crore, as was in the previous year. The allocation towards “improvement in salary scale of university and college teachers” has also witnessed a cut from ₹1,237 crore in 2016–17 (BE) to ₹700 crore in 2017–18 (BE).

The Finance Minister, Arun Jaitley, has proposed to “establish a National Testing Agency as an autonomous and self-sustained premier testing organisation to conduct all entrance examinations for higher education institutions” and his budget speech also proposed to reform the University Grants Commission (UGC). But the questions that remain are, instead of allocating adequate resources for “general education,” why have these measures been announced in the budget? And what is the financial implication of these proposed reforms?

An Inclusive Education Budget?

The Twelfth Five Year Plan (2012–17) focuses on inclusive education as a process that strengthens the capacity of the

education system, to reach out to all learners. The first step in this process is reducing inequalities, so that every section of society seeking an education is given equal access to one, especially primary and secondary education. In this process of inclusion, special focus should be on socially and economically exploited groups like Dalits and Adivasis, groups that are marginalised like children with special needs, educationally backward minorities and young girl children.

Besides the MHRD, the Ministry of Social Justice and Empowerment (MSJE), the Ministry of Tribal Affairs (MOTA), the Ministry of Minority Affairs (MOMA) and the Ministry of Women and Child Development (MWCD) are some of the nodal ministries, responsible for the education of children from Scheduled Castes, Scheduled Tribes and minority communities respectively.

The MHRD has increased its allocation for the development of education schemes in the North East from 4.9% in 2016–17 (BE) to 7.9% in 2017–18 (BE). As recommended by the Parliamentary Standing Committee on Human Resource Development,⁴ the union government has increased its allocation for the National Means Cum-Merit Scholarship Scheme, from ₹35 crore in 2016–17 (BE) to ₹282 crore in 2017–18 (BE). The budget allocation towards the National Scheme of Incentives to Girls for Secondary Education has witnessed a sevenfold increase in this year's budget as compared to the 2016–17 (BE). The budget for the *Beti Bachao, Beti Padhao* campaign, under the MWCD, has increased from ₹100 crore to ₹200 crore in 2017–18 (BE). However, given that the programme has been extended to an additional 61 districts in 2016, this budgetary increase may not be enough.

Further, only 43% of the expenditure has been incurred, as against the total allocation made in 2016–17 (RE), indicating the underperformance of the scheme.

The MHRD budget for education schemes, for madrasas and minorities, remained unchanged at ₹120 crore. There is a substantial decrease in the budgetary allocation for the Department of Social Justice and Empowerment. The budget for “Pre-Matric Scholarships for Scheduled Caste” students has gone down, from ₹495 crore in 2016–17 (BE) to ₹45 crore in 2017–18 (BE). The overall budget of MOTA, in charge of tribal education, has decreased from ₹1,660 crore in 2016–17 (RE) to ₹1,635 crore in 2017–18 (BE).

Conclusions

The union government's budgetary spending on education accounts for a smaller share than state governments' total budgetary spending on education. A continuous decrease in the union government's share of education expenditure shifts the responsibility more towards state governments. However, given the present state of education, with major disparities across states, this incremental budgeting by the union government towards education does not offer any solution to the existing issues and challenges facing students and the education sector. It is, therefore, imperative for the government to step up public investment in education, paying adequate attention to the quality quotient

NOTES

- 1 Ministry of Finance (2016): “Budget at a Glance: Receipts,” Ministry of Finance, Government of India.
- 2 Pratham Education Foundation (2017): “Annual Status of Education Report (Rural),” 18 January, viewed at 27 April 2017, http://img.asercentre.org/docs/Publications/ASER%20Reports/ASER%202016/aser2016_nationalpressrelease.pdf.
- 3 Navodaya Vidyalaya Samiti, *Construction Activities*, viewed at 27 April 2017, http://nvshq.org/display_page.php?page=Construction%20Activities.
- 4 Parliamentary Standing Committee on Human Resource Development (2016): “Department Related Parliamentary Standing Committee on Human Resource Development,” 285 Report, Rajya Sabha Secretariat, New Delhi: Parliament of India, viewed at 27 April 2017, <http://164.100.47.5/newcommittee/reports/EnglishCommittees/Committee%20on%20HRD/285.pdf>.