



Save the Children



CBGA

# COST OF UNIVERSALISING EARLY CHILDHOOD EDUCATION IN INDIA

A POLICY BRIEF

A CHILDHOOD OF  
POSSIBILITIES

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**Authors**

Protiva Kundu, Jayanti Prakash, Vijayta Mahendru, Jasmeet Kaur

**Technical inputs from Save the Children**

Kamal Gaur, Avinash Singh, Sandeep Sharma

**Technical inputs from CBGA**

Asadullah, Subrat Das, Nilachala Acharya

**Data Support**

Azharuddin Khan, Ajay Pal Singh

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Bal Raksha Bharat, 1st & 2nd Floor, Plot No. 91, Sector - 44  
Gurgaon (Haryana) - 122003, India  
Phone: +91 124 4752000, 4752100

# **COST OF UNIVERSALISING EARLY CHILDHOOD EDUCATION IN INDIA**

**A Policy Brief**





## Why is universalisation of Early Childhood Education Important?

Brain development in children between 0-6 years is most rapid. Decades of research have established that the foundations of brain architecture and functioning, and subsequently lifelong developmental potential - physical, cognitive, emotional and social competencies - are interdependent and laid down in the early years of a child's life. A large body of work<sup>1</sup> has demonstrated that investing in early childhood reaps greater returns as compared to investing on a person at any other phase of life. This process is extremely sensitive to external influence from home, care settings and community interaction, which is why a robust and comprehensive Early Childhood Education (ECE) programme for 3-6 years old children, catering to the specific needs of this age group, is an essential social good.

## What is the existing policy framework for ECE in India?

There is official recognition of the importance of ECE in India as is evident from a large body of child-specific policies that have created a conducive policy backdrop for the universalisation of ECE in India. Section 11 of the Right to Education Act 2009 envisioned for universal public provision of pre-school education to children below six years and suggested that "the appropriate Government may make necessary arrangement for providing free pre-school education for such children". National ECCE policy 2013, National ECCE

Curriculum Framework also argues for good quality, age-appropriate and equitable ECE facilities in India. Recognising the foundational aspects of ECE, the new National Education Policy (NEP 2020)<sup>2</sup> has recommended the inclusion of children aged 3-6 years within the structure of the school system and the universalisation of pre-primary education by 2030. The policy clearly highlights ECE as one of the 'key long-term thrust areas for financing'. India is also committed to the Sustainable Development Goal (SDG) agenda, where target 4.2 of the SDG talks about universalisation of ECE by 2030. Ensuring that quality ECE services are universally available can only underpin the goals highlighted in SDG and NEP 2020.

### ECE SERVICE PROVIDERS IN INDIA

1. Government run ECE programmes provided through Anganwadi Services and School education programmes (e.g, Samagra Shiksha Abhiyan)
2. NGO run ECE programmes, and
3. Private entities

## Why do we need to estimate the cost of universalisation of ECE in India?

The current ECE system in India is a patchwork of programs with different funding streams, constituencies and quality standards. The largest ECE service provider in India is government followed by private service provider. A small proportion of children are also receiving ECE from a wide variety of pre-schools run by NGOs and other organisations.

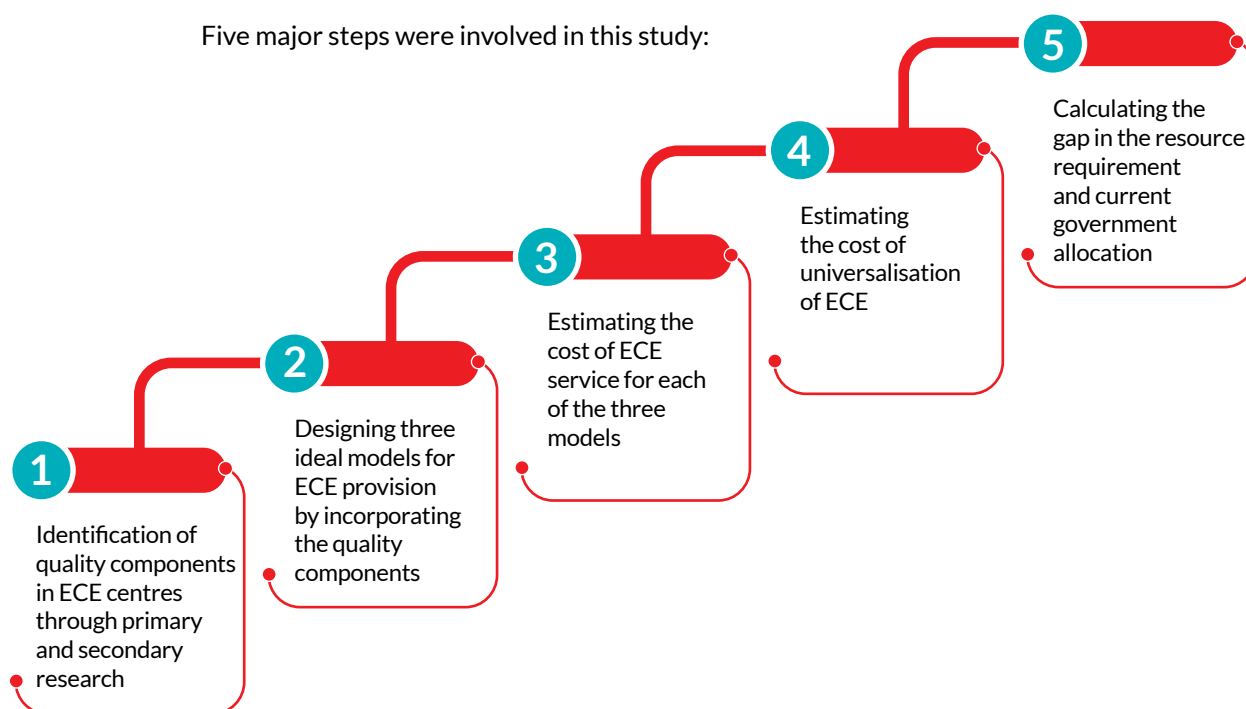
While 99 million children in India are eligible for ECE services (Census 2011)<sup>3</sup>. However, public sector provisioning of ECE services through Anganwadi services and the pre-primary sections in government schools covers only 31.4 million children (Lok Sabha Questions, 2020)<sup>4</sup>. It implies that 32 per cent of all children in the 3-6 years age group benefit from public sector provisioning of ECE services in the country. Despite the presence of a range of ECE

service providers, a large number of children are still not able to avail of these services. As per the NSS 75th Round report<sup>5</sup>, around 37 million children do not avail of any ECE service, whether in the public sector or those provided by the private aided and unaided centres. The report also reveals variation in access to quality ECE service as the annual average out of pocket expenditure per child varies from Rs. 1,030 in government institutions to as high as Rs.12,834 in private institutions. Thus, ECE in India leaves much to be desired, both in terms of coverage as well as quality<sup>6</sup>. In order to fulfil the unmet need of ECE for all 3-6 years old children in India, a robust and comprehensive Early Childhood Education (ECE) programme is imperative and this policy commitment needs adequate resource support from the government.

In this backdrop, CBGA along with Save the Children conducted a study to estimate the cost of universalisation of quality ECE in India. A concerted effort has been made to understand the cost of quality ECE service and gauge the magnitude of total resources required for providing quality early learning and care to all 3-6 years age group children.

### What did we do?

Five major steps were involved in this study:



### What are the components of a quality ECE centre?

For effective provision of ECE, first, markers of quality were identified through in-depth literature review of globally recognised documents.

**TABLE 1.1: List of Reference Documents for Identifying Quality Components**

1. Quality Standards, MWCD
2. Indicators of ECE Quality, UNESCO GMR
3. ASEAN Quality ECCE Standards
4. IECEI Longitudinal Study, CECED
5. The Right Start Report, Save the Children

Subsequently, extensive surveys pertaining to physical and financial details of different types of functional ECE Centres across various regions in India were conducted. The sample ECE centres were selected on the basis of three indicators – geographical distribution, capacity to scale up, and popular practices among service providers that have been duly evaluated and are known to yield desired results.

**TABLE 1.2: List of Sample ECE Centres – Type and Location**

S. No.	Type	Location of Centre	Location (Rural, Urban)
1.	NGO-run Day-care Centre	Lucknow, Uttar Pradesh	Urban
2.	NGO-run Day-care Centre	Gurgaon, Haryana	Urban
3.	NGO run Centre	Bahraich, Uttar Pradesh	Rural
4.	NGO run Centre	Hyderabad, Telangana	Urban
5.	NGO supported Anganwadi Centre	Sirohi District, Rajasthan	Rural
6.	Anganwadi Services	Sirohi District, Rajasthan	Rural
7.	Anganwadi Services	South Andaman District, Andaman and Nicobar Islands	Urban
8.	Government School	Central Delhi	Urban
9.	Government School	Shahadra, Delhi	Urban
10.	Private School	Faridabad, Haryana	Urban
11.	Private Pre-school	West Bengal, Asansol	Urban
12.	Government School	South Andaman District, Andaman and Nicobar Islands	Urban
13.	Private Pre-school Chain	West Delhi Centre	Urban
14.	Private Pre-school	Punjab, Ludhiana	Urban

In addition, interviews of ECE experts and other key actors, like academicians, researchers, practitioners, teachers and parents were conducted to understand the policy provisions and implementation of government ECE programs, strengths and gaps in existing ECE services as well as recommendations for improvement in quality as well as the universalisation of ECE services in the country.

Based on the secondary and primary research, the following parameters and specific ‘ingredients’ that constitute a good quality ECE service were identified:

**TABLE 1.3: Components of a Quality ECE Centre**

S. No.	Parameter	Ingredient
1.	Human Resources	Required number of professionally qualified ECE workforce, including teachers, centre head/supervisor, <i>Anganwadi</i> workers, helpers/caregivers, other staff; adequately compensated ECE workforce
2.	Training	Induction and in-service training of teachers and Centre head
3.	Incentives	Social security benefits for personnel, communication expenses
4.	Play and Learning Material	Books, play material, stationery, activity sheets, teacher manuals etc.
5.	Health and Nutrition	Breakfast and midday meal, health check-ups and immunisation, first-aid kits
6.	Infrastructure-related Costs	Rent, maintenance of buildings, insurance of fixed assets, house-keeping, safety and disaster management, communication
7.	Monitoring and Evaluation	Salary of monitoring personnel
8.	Community Participation	Parent-teacher meetings, events and trips
9.	Fixed Assets	Furniture and equipment
10.	Curriculum	Curriculum development, digital material development, publication
11.	Administrative Costs	Finance cost, compliance cost, depreciation cost

### NOT EVERYTHING CAN BE MONETISED AND ESTIMATED

The quality of an ECE programme depends on various characteristics including its structural dimensions and service delivery; pupil-teacher interaction, successful integration of care and education, the pedagogical approach and parental involvement are important elements that help in the delivery of good quality ECE. Incidentally, some of these are difficult to monetise and include in a cost estimation exercise. Moreover, it is difficult to ascertain the cost of infrastructure or fixed assets utilised in establishing the ECE centres or schools since the same would tend to vary across regions. It is also difficult to estimate curriculum development costs, which are developed at the Union level, or, in some cases, at the institution level.



## What are the proposed models for provisioning of ECE?

The National Education Policy 2020 recommends that “ECCE<sup>7</sup> shall be delivered through a significantly expanded and strengthened system of early-childhood education institutions.” Some of the examples of how ECE can be provided, also stated in the NEP 2020, are as follows:

- (a) Stand-alone Anganwadi Centres
- (b) Anganwadi Centres co-located with primary schools
- (c) Pre-primary schools/sections covering at least age 5 to 6 years co-located with existing primary schools
- (d) Stand-alone pre-schools

The NEP also states that all ECE centres should recruit workers/teachers who are specially trained in the curriculum and pedagogy of ECCE.

On the basis of the above recommendations of NEP and, the ingredients identified for good quality ECE programmes (Table 1.3), three models were developed under this study:



The above models are widely prevalent and scalable to universalise ECE services for all eligible children.

**Stand-alone Pre-School cum Day-Care Centre** – This model is suitable for urban areas, especially for children whose both parents are working. The centre would operate for 6-8 hours.

The infrastructure and facilities in the centre include a computer and an internet connection, a kitchen, toilet, drinking water, furniture and adequate educational material for the children. The centre would have a minimum area of 800 square feet in addition to an area for outside play.

**Stand-alone Anganwadi Centre** – This is an Anganwadi Centre consisting of all the quality parameters stated above. The centre would operate for 3-4 hours. The infrastructure and facilities in the centre would include a computer and an internet connection and/or smartphones, a kitchen, toilet, drinking water, furniture and adequate educational material for children. The centre would have a minimum area of 500-600 square feet in addition to an area for outside play.

**Pre-Primary Section in Primary Schools** – This model is located within a primary school. The centre operates for 4 hours. The infrastructure and facilities in the centre include a computer and an internet connection and/or smartphones, furniture, as well as adequate educational material for children. The toilet and drinking water facilities are shared with the primary school. The infrastructure such as the space and classrooms within an existing primary school would be utilised by the pre-primary sections as well.

In all the three models, the teacher-child ratio would be 1:20. The salary of an ECE teacher will be an important factor in professionalising the ECE sector. For quality ECE service, it can be argued that, the status of the ECE teacher should be equivalent to that of a Primary School Teacher with a salary of Rs. 40,240 per month (as per the Seventh Pay Commission recommended salary of a Primary School Teacher in a Kendriya Vidyalaya). The entry-level salary of a Helper should be in accordance with the minimum-wage norms for unskilled labour set by the Union Ministry of Labour and Employment.

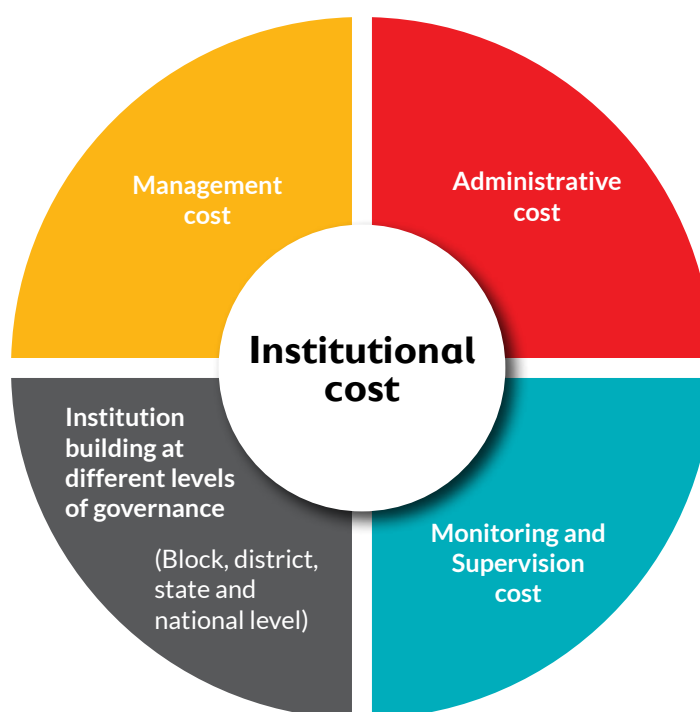
For costing each of the models, the financial data obtained from the 14 functional ECE centres as well as financial norms of prevalent government programmes like Samagra Shiksha Abhiyan (SMSA) and Anganwadi Services have been utilized. Followed by the estimation of the operational cost of model ECE centres, per child cost of ECE provision has been derived for the three defined models (Table 1.4).

**TABLE 1.4: Unit Cost of Providing ECE under the Three ECE Models**

S. No.	Type of Model	Operational Cost per child per year (INR)
1.	Stand-alone Pre-School cum Day-Care Centre	36,524 – 56,328
2.	Stand-alone Anganwadi Centre	32,529 – 45,759
3.	Pre-Primary Section in Primary Schools	46,294 – 49,159

### What are the additional costs involved in universalising ECE?

While the cost of ECE largely constitutes establishment and operational cost at the centre level, there are also some institutional costs associated with quality ECE provision, which are not determined at the individual centre level. These are:



Therefore, to derive the total cost of universalising ECE, the costs of both ECE centres and the programmatic components are aggregated. The latter is predicted through the data derived from secondary sources based on the existing financial norms under similar service provisions in various other government programs.

## How much resource would be required for universalisation of ECE?

Based on the calculation of operational and institutional costs, we estimated the cost for universalising ECE in India for two scenarios:

- I. For providing ECE to all 99 million children between 3-6 years
- II. For providing ECE to those 37 million children who are currently not enrolled in any ECE service.

**TABLE 1.5: Scenario 1 - Cost of providing ECE to all children between 3-6 years**

S. No.	Type of Model	Total Cost as a % of GDP
1.	Stand-alone Pre-School cum Day-Care Centre	1.6 - 2.5
2.	Stand-alone Anganwadi Centre	1.5 - 2
3.	Pre-Primary Section in Primary Schools	2.1 - 2.2

Note: GDP figure is at current market price, projected figure for 2021-22 from Union Budget 2021-22

**TABLE 1.6: Scenario 2 - Cost of providing ECE to children who are currently not enrolled in any ECE service**

S. No.	Type of Model	Total Cost as a % of GDP
1.	Stand-alone Pre-School cum Day-Care Centre	1.1 - 1.7
2.	Stand-alone Anganwadi Centre	1 - 1.4
3.	Pre-Primary Section in Primary Schools	1.4 - 1.5

Note: GDP figure is at current market price, projected figure for 2021-22 from Union Budget 2021-22

Thus, the analysis concludes that the total resource requirement to provide universal quality ECE services to all children in the 3-6-year age group would be in the range of 1.5-2.2 per cent of the GDP. The study also concludes that the process of costing is complicated and hence results are approximate, and the direct comparison of costs between different delivery models is seldom possible.

## Public financing of ECE in India: Where do we stand?

In 2020-21, the total budgetary provision for ECE in India, including the Centre and States, was around Rs 25,000 crore, which is about 0.1 per cent of the GDP. This implies an allocation of Rs. 8,927 per annum for a child attending government run ECE service, albeit with vast regional differences. For instance, while Haryana allocated Rs. 16,506 per annum on ECE for each child, West Bengal's allocation was only Rs. 5,346.

In contrast to our low national share of ECE in the GDP, the OECD countries' average spending on ECE is about 0.7 per cent, with the Scandinavian countries topping the charts with spending between 1.1-1.6 per cent of the GDP on ECCE. Interestingly, Ecuador, another developing country, is spending nearly 1.17 per cent of its GDP on ECE. India is among the countries that spend the lowest on ECE including Nepal (0.08 per cent) and South Africa (0.1 per cent)<sup>8</sup>.

As India's current spending for ECE is way below the requirement (Table 1.5 and Table 1.6), it is inevitable to ramp up the country's ECE strategy as well as funding.

## What are the possible sources of mobilising additional revenue for ECE?

Since ECE is an established social good of the highest order, we have identified some channels from where additional resources can be mobilised towards ECE service, as required for its universalisation.

- 1. 15th Finance Commission Recommendation:** The 15th Finance Commission has recommended 41 per cent share of states in the central taxes for the 2021-26 period. As this fund is flexible in nature, a part of it can be used for institution building for ECE. The Commission also recommended a grant of Rs 4800 crore<sup>9</sup> for incentivising the states for enhancing educational outcomes. The government could use this resource efficiently to improve ECE service in the country.
- 2. CESS:** The unutilised cess fund or part of it retained in the consolidated fund of India can be used for financing ECE.
- 3. Unutilised fund:** Unspent balance under different government-run programmes can be channelised to a scheme/sector which deserves more.
- 4. Corporate Social Responsibility:** Education receives one of the highest priorities in Corporate Social Responsibility (CSR) activities but only 17 per cent of that is directed towards ECE<sup>0</sup>. The CSR community must be made aware of the importance of ECE and the need to enhance the quality and coverage of ECE in the country so that more of them support ECE initiatives.

## What are our policy recommendations?

In addition to calculating the costs of universalising ECE in India, we also have some policy recommendations:

- 1. Increase spending to improve Anganwadi Services:** The ECE programme run under Anganwadi services is considered to be age appropriate but due to the shortage of Anganwadi centres and low quality of service delivery, people have to resort to private centres which do not follow recommended ECE practices. Therefore, it is vital for the state to enhance its spending on Anganwadi Services so that children between 3 to 6 years of age can avail good quality ECE.
- 2. Need for disaggregated data:** Disaggregated, real time, physical and financial data is vital for adequate planning, budgeting and monitoring of ECE at all levels. It will enable monitoring of the fund flow and utilisation as well as conducting sectoral analyses, to effect the recommended changes that enhance quality.
- 3. Professionally trained and adequately paid workforce to impart ECE:** There is a need for professionally trained as well as adequately compensated/paid workforce to impart ECE.

Training and Capacity Building programmes need to be conducted for the staff at Centres on a regular basis. It is recommended that a block or cluster level centre be initiated or existing such bodies be strengthened to regularise and professionalise the ECE centre staff. Appropriate monitoring costs per centre could be invested to strengthen the monitoring element of the ECE programs.

4. **Standardisation of financial norms and upward revision of unit cost:** The financial norms of certain essential components like salaries of ECE teachers, education material, training etc. need to be standardised at the central level. States should have the flexibility to spend over and above the stipulated norm set by the Centre. Moreover, unit costs of many components like rent, infrastructure, teaching and learning material etc. require an upward revision.
5. **Regulation of ECE services:** ECE services need to be regulated across the diverse service providers, along the lines of the MWCD Quality Standards and the National ECCE Policy. Norms such as space, teacher-child ratio and curriculum could be some of the key aspects in this regard.

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**Save the Children**

Bal Raksha Bharat, 1st & 2nd Floor,  
Plot No. 91, Sector - 44,  
Gurgaon (Haryana) - 122003, India  
Phone: +91 124 4752000, 4752100  
Website: [www.savethechildren.in](http://www.savethechildren.in)



**CBGA**

**Centre for Budget and  
Governance Accountability**

B-7 Extn/110A (Ground Floor) Harsukh Marg  
Safdarjung Enclave, New Delhi - 110029, India.  
Tel: +91 (11) 4920 0400, 4050 4846  
Email: [info@cbgaindia.org](mailto:info@cbgaindia.org)