



An Interstate Comparison of Budgeted Expenditure on Education in India

KEYWORDS

interstate comparison, budget, expenditure, education, sector-wise, India

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ABSTRACT Education is on the concurrent list, yet largely State governments shoulder bigger responsibility by expenditure on education than Centre. The current research paper analyses the interstate comparison of budgeted expenditure on education between states to identify the states that incur maximum expenditure on education and its various sectors. Comparisons are made across plan and non-plan expenditure and on capital and revenue account. Interstate comparisons of expenditure on education across various sectors of education like elementary, secondary, technical and higher education had been done. The expenditure incurred on capital account and loans and advances were meager compared to those on revenue account. It was largely found that states like Maharashtra Uttar Pradesh, and Andhra Pradesh largely incurred more expenditure on education on revenue account across plan and non-plan expenditures and non-plan expenditure in particular with variations in the sequence. Also across various sectors these states largely incurred higher expenditure on education than other states.

INTRODUCTION

India is a Federal Union of 29 states and 7 union territories. Under Article 45 States shouldered the responsibility of all levels of education till 1976. Through the 42nd amendment education was brought under the concurrent list (Joshi & Ahir, 2015). States continued to share larger responsibility of providing education. In 2010-11 the share of State and union territories in actual public expenditure on education as a percentage of GDP was 2.94% whereas that for the Centre was 1.11%. Hence the States and union territories shared almost 72.6% of the responsibility of the expenditure on education and the Centre shared 27.4% (MHRD, 2014). India is very diverse, geographically wide-spread and bifurcated into states. Interstate disparities can be observed across various socioeconomic parameters. The objective of this paper is to compare the expenditure on education by States and Union Territories (hereon combined and referred to as States) in India. The data for 2010-11 (MHRD, 2014) were used for the entire analysis since those were the last available data for actual expenditures and for later years either revised estimates or budgeted estimates were available which were not used. An interstate comparison is done on various parameters (like plan and non-plan and on capital and revenue account) and across sectors like elementary, secondary, university and technical education.

TOTAL PLAN AND NON-PLAN PROVISION FOR EDUCATION

Out of the total budgeted expenditure on education by Education department and other departments for States, the expenditure on revenue account were 98.23%, on capital account were 1.74% and on loans and advances was 0.03%. Hence revenue expenditures accounted for a lion's share in the States' expenditure on education leaving meager shares for capital account and loans and advances. Considering the actual plan and non-plan budget provision for education by all departments on revenue account for 2010-11 it was observed that the highest provision was made by Maharashtra followed by Uttar Pradesh, Andhra Pradesh, Tamil Nadu and West Bengal. On the basis of the total actual plan budget provision for education by all departments on revenue account for 2010-11 the states with the highest provision included Andhra Pradesh, Karnataka, Uttar Pradesh, Bihar and West Bengal. Similarly on the basis of the total actual non-plan budget provision

on education by all departments on revenue account for 2010-11 the states with the highest provision included Maharashtra, Uttar Pradesh, Tamil Nadu, West Bengal and Andhra Pradesh. By and large the expenditure incurred on non-plan expenditure on revenue account was higher in the states than plan expenditure. Therefore it could be observed that the states incurring highest non-plan revenue expenditure were also the same states that incurred the highest total plan and non-plan expenditure on education on revenue account. While the share of the capital account in the expenditure on education by States was less, the States with the highest share were Uttar Pradesh, Gujarat, Karnataka, Tamil Nadu and Chhattisgarh. The expenditure on capital account was incurred for acquiring assets like land, building machinery and equipment. The only four States and Union territories that incurred any expenditure on education for loans and advances were Delhi, Madhya Pradesh, Goa and Odisha (MHRD, 2014). Therefore for further analysis of Plan and Non-plan expenditure on education on various sectors of education, expenditure on revenue account is considered.

INTERSTATE COMPARISON OF PLAN AND NON-PLAN BUDGETED EXPENDITURE ON VARIOUS SECTORS OF EDUCATION

State incurred expenditure on various sectors of education like elementary education, secondary education, university & higher education, technical education and adult education. An analysis of interstate comparison for each of these sectors of education is discussed further.

Elementary education had been one of the most prioritized sectors amongst all the sectors of education. On comparing various States it was observed that Maharashtra, incurred highest Plan and Non-Plan budgeted expenditure on elementary education on revenue account followed by Uttar Pradesh, Gujarat, Tamil Nadu and Rajasthan. For these states the share of expenditure on elementary education as a percentage of total expenditure on education ranged between 46% and 59%. Across all States the share of elementary education as a percentage of total expenditure on education averaged 49.71%.

The total Plan and Non-plan budgeted expenditure on

secondary education on revenue account was incurred highest by Maharashtra, West Bengal, Uttar Pradesh, Tamil Nadu and Andhra Pradesh. The percentage share of secondary education as a percentage of total expenditure on education ranged between 31% and 39% for these states. On an average the percentage share of secondary education as a percentage of total expenditure on education for all States combined was about 35.1%.

The total Plan and Non-plan budgeted expenditure on university education on revenue account was incurred highest by Maharashtra, Andhra Pradesh, West Bengal, Karnataka and Tamil Nadu. The percentage share of university education as a percentage of total expenditure on education ranged between 12% and 15%. On an average the percentage share of university education as a percentage of total expenditure on education for all States combined was about 11.04%.

The total Plan and Non-plan budgeted expenditure on technical education on revenue account was incurred highest by Maharashtra, Andhra Pradesh, Tamil Nadu, Kerala and West Bengal. The percentage share of technical education as a percentage of total expenditure on education for these states ranged between 2% and 5%. On an average the percentage share of technical education as a percentage of total expenditure on education for all States combined was about 2.59%.

The total Plan and Non-plan budgeted expenditure on General Education Programs like scholarship, direction and administration, training, and research on revenue account was incurred highest by Tamil Nadu, Karnataka, West Bengal, Gujarat and Uttar Pradesh. The percentage share of General Education Programs as a percentage of total expenditure on education ranged between 2.25% to about 0.5% for these states. On an average the percentage share of General Education Programs as a percentage of total expenditure on education for all States combined was about 0.84%. Considering the important sub heads under the General Education Programs like research and scholarship, a higher percentage of the total higher education expenditure should be devoted towards this section.

The total Plan and Non-plan budgeted expenditure on language development on revenue account was incurred highest by Tamil Nadu, Assam, Uttar Pradesh, Bihar and Rajasthan. The percentage share of language development as a percentage of total expenditure on education ranged between 2.14 to 0.7% for these states. On an average the percentage share of language development as a percentage of total expenditure on education for all States combined was about 0.52%. Languages are a part of national identity and the diversity in vernacular languages in India warrants more funds for language development to encourage and motivate language development especially for those languages that might otherwise get lost with time

The total Plan and Non-plan budgeted expenditure on adult education on revenue account was incurred highest by Gujarat, Andhra Pradesh, Tripura, Maharashtra and Bihar. The percentage share of adult education as a percentage of total expenditure on education ranged between 0% to 4% for these states. On an average the percentage share of adult education as a percentage of total expenditure on education for all States combined was about 0.2%.

CONCLUSION

It could be concluded that elementary education was on an average the most prioritized sector by the States'

budget provision amongst all the sectors of education with an average of 49.71% followed by Secondary education 35.1%, university and higher education 11.04%, technical education 2.59%, General Education Programs 0.84% language development 0.52% and adult education 0.2% (MHRD, 2014).

The respective shares by the major sectors of education like the elementary education, secondary education and university and technical education were almost in accordance with certain other variables related to the provision of education. Like in 2010-11 the absolute enrolments across all states in elementary education were 1,97,373 thousand, for secondary education (combined with senior secondary education) were 51,195 thousand, and that for higher education (combined with technical education) were 27,499 thousand. The Gross Enrolment Ratio across all states for elementary education was 104.9, for secondary education 69, for senior secondary education 42.2 and for higher education 20.8. Also the share towards various sectors were in accordance to the number of institutions like for elementary education the number of institutions were 11,96,147, for secondary education (combined with senior secondary education) were 2,00,184, and for higher education (combined with technical education) were 44,739 (MHRD, 2013). One should also consider that as the levels of education rises the expenses on human resource and books amongst other expenditures like library, laboratories, and other infrastructural amenities were also likely to increase.

It could also be observed that largely states like Maharashtra, Uttar Pradesh and Andhra Pradesh incurred higher expenditure on education compared to other states. Expenditure on education by certain other states like Tamil Nadu, West Bengal, Gujarat, Karnataka, Rajasthan and Kerala were also noticeable for contributing more on certain sectors of education than other states. (MHRD, 2014)

It is difficult to expect that government with its competing demands on government treasury and prioritized social needs like poverty reduction, maternal and infant health, and within education a priority to literacy, adult education and elementary education, will be able to satisfy the burgeoning demand for education. An education system of this size requires huge sources of funding. Central and State governments should employ more budgeted provisions to provide for various sectors of education. Besides, the regulatory bodies will have to provide an incentivized atmosphere like tax rebates, to motivate the investments in education sector. Incentivizing various other sources of funding and provisions like the Non-Government Organizations (NGOs), community assistance, philanthropic contributions, share from Corporate Social responsibilities (CSRs), voluntary service providers, alumni contributions, corporate-academia associations for higher levels of education, renting available infrastructure and facilities, might be able to ease some burden of the provision of education from the government and yet assure access to education.

While still the entire argument is restricted upon the access to education, further challenges facing the education system include those related to equity, efficiency and quality. These would further require more financial commitment from all possible sources. Development of human resource is the key in the global race of knowledge economies and knowledge production and dissemination largely happens in the education sector. If India aspires to truly benefit from the demographic dividend the provision of equitable, qualitative and efficient education is inevitable.

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