



ORIGINAL RESEARCH PAPER

Economics

THE ROLE OF EDUCATION AND HEALTH AMIDST THE COVID-19 CRISIS IN INDIA

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ABSTRACT

The role of education and health as an agent or instrument of economic and social change and development is widely recognized. These two goods and services are considered to be merit goods which have significant positive externality. Education and Health can initiate economic and social changes by bringing about a change in healthy outlook and attitude of man. It can bring about a change in the pattern of social awareness and thereby it may cause required social changes. The recent outbreak of the pandemic Covid 19 has disrupted the education and health system of the countries all over the world. It has impacted both developed as well as developing countries. It poses a huge challenge for a developing country like India having historically very low expenditure on health and education as a percentage of GDP. The recent spread of the pandemic Covid 19 has renewed the importance of investment in those merit goods in India. This paper is mostly descriptive in nature. Based on secondary data, this paper is an attempt to analyse the importance and impact of education and health sector during the time of a pandemic for a developing country like India.

1. INTRODUCTION

One of the important responsibilities of the countries across the globe is to provide merit goods. Provisioning of merit goods provides significant positive externality. Investments in merit goods are considered to have largest spillover effect across time as well as space. Two merit words education and health are considered to be complementary to each other. Education is considered to be a merit good which have significant spill over effect. The role of education as an agent or instrument of economic and social change and development is widely recognized. Education can initiate social changes by bringing about a change in outlook and attitude of man. It can bring about a change in the pattern of social relationships and thereby it may cause social changes

Along with education, expenditure on health related services is considered to be beneficial for overall economic development of an economy. Available literatures are of the view that investment in education has significant impact on health related outcomes and vice versa.

India is considered to be a federal state where both central and state governments have their respective expenditure responsibilities. It has been found that the Indian Constitution makes the provisioning of healthcare in India as a responsibility of the state governments, rather than the central federal government. It makes every state responsible for maintenance the level of nutrition and the standard of living of its people and the improvement of public health as among its primary duties. Along with health, education is primarily the responsibility of the state Governments. Every state government in India has a Department of education. India has one of the largest education system having 900 universities and 40,000 colleges in the year 2019 (Kalaivani and Saileela, 2019). Compared to the expenditure responsibilities of the state governments, they have limited revenue sources. Most of the state government in India have limited resources to face the challenges posed by sudden outbreak of any diseases or any other epidemic.

The ongoing 2019–20 Corona virus pandemic disease 2019 (COVID-19) which was first officially identified in December 2019 in Wuhan, the capital of China's Hubei province has spread globally resulting in havoc in health sector of most of the countries. The sudden outbreak COVID 19 has affected nearly all parts of the world. It has affected all the sectors of the economy particularly the education sector as the pandemic has forced majority of the countries to impose complete lock down as a result of which the lives of more that

90 percent students all over the world have been adversely affected. The pandemic has serious impact on education and as well as health sector particularly for a developing country like India. India is considered to be an under-developed county having very low per-capita income. Despite economic growth, the country faces different socio economic challenges particularly in the health and education sector. It has been found that the social sectors in India are grossly underfunded. No mainstream economist or policymaker has come out with a suggestion for enhancing expenditures in these sectors (Dubey, 2020). With highest maternal death toll in the world, India accounts for more than 20 percentage of global maternal and child deaths. It has been found that India's spending on public health provision, as a share of GDP is the 18th lowest in the world. In other words, the country is in a gloomy state in terms of health and education indicators. Based on secondary data, this paper is an attempt to analyse the impact of the pandemic on crucial sectors such as education and health in a developing country like India.

3. Status Of Education And Health In India

As mentioned in the introductory section, education and health are state subjects. According to the Indian constitution, it is the responsibility of the state governments to incur education and health related expenditure. The recent National Health Policy as endorsed by the Parliament of India was recently updated in the year 2017. The main updated National Health Policy mentions the need to focus on the growing burden of non-communicable diseases, on the emergence of the robust healthcare industry, on growing incidences of unsustainable expenditure due to health care costs and on rising economic growth enabling enhanced fiscal capacity. In practice however, the private healthcare sector is responsible for the majority of healthcare in India, and most healthcare expenses are paid directly out of pocket by patients and their families, rather than through health insurance. Government health policies are found to encourage private sector expansion in conjunction with well-designed but limited public health programmes. A government funded health insurance project was launched in 2018 by the Government of India, called Ayushman Bharat. Although from the first five year plan onwards, health care is always considered as a priority sector, but expenditure on health in India has been very poor. The worrying factor is that the percentage of expenditure on health in recent years is very low as required considering the huge burden of population in India. The Government of India has spent only 3 per cent of its Gross Domestic Product on education in the year 2018-19 (Economic Survey, 2018-19). But unfortunately

the Economic Survey's data is found to be 1.6 per cent short of what former Education Minister Prakash Javdekar has stated in March 2019. The annual data released by the government stated that India spent only 1.28 per cent of its GDP (2017-18) as public expenditure on health. The figure was 1.02 per cent of the GDP in 2016-17.

Like the other countries, India is also affected badly by the pandemic Covid 19. According to the report of World Health Organisation, as on 16/04/2020, India has confirmed 12, 759 Covid 19 patients where Maharashtra having the largest number of cases which are likely to expand drastically in near future. With having very small allocation for the health sector, it will be difficult task for states as well as for the central government to allocate fund for health sector due to sudden outbreak of the pandemic.

Like health, education is another merit good having largest spillover effect. Provisioning of Education to all sections of the people is necessary for overall economic development of any country. Considering the above fact, India since the early days of independence has always focused on improving the literacy rate in our country. As of October, 2017, India has one of the largest education systems having 49 central university, 367 state university and 123 deemed university and 282 private universities. India's higher education system is the third largest in the world, next to the United States and China. With more than 1.5 million schools and about 260 million students in the year 2015-16, India has the world's second-largest school system after China. Considering the magnitude of the education sector, the investment in education is comparatively very low. As mentioned above, India spent only 3 per cent of its GDP (2017-18) as public expenditure on education. A record number of students are not able attend their classes due to total closure of educational institutions in India due to lockdown announced to mitigate the pandemic disease Covid 19. This has badly affected particularly the poor and rural students having low internet connectivity and lack of e resources. Fortunately, India has one of the largest Open and Distance Learning (ODL) systems. The present traditional educational institutions are also trying to taking class on ODL mode. But this is a very difficult task for a country like India where major sections of the students have rural background. There is a huge problem of inclusion of those students in the ODL mode.

4. Status Of Education And Health In India As Compared To Other Developed Countries:

Most governments around the world have temporarily closed educational institutions in an attempt to contain the spread of the COVID-19 pandemic. These nationwide closures are impacting over 91% of the world's student population. Several other countries have implemented localized closures impacting millions of additional learners. UNESCO is supporting countries in their efforts to mitigate the immediate impact of school closures, particularly for more vulnerable and disadvantaged communities, and to facilitate the continuity of education for all through remote learning. It is a challenging task for all countries to tackle the education sector in the post lock down. The effective management of those situations will depend on existing educational infrastructure of those countries. In 2015, the average total expenditure on education, measured as a proportion of total government spending, was 11% for the OECD nations. The lowest was Greece, at 6%. Only five countries spent more than 15% on education: Brazil, Chile, Mexico and New Zealand were all between approximately 16% to 19%. The comparative picture of amount of expenditure on education of some of the developed countries as compared to India has been provided in table 1.

Table 1 Amount Of Expenditure On Education As A Percentage Of GDP In The Year 2016

Country	Expenditure as a percentage of GDP
Cuba	12.9
Norway	8

Australia	5.3
United Kingdom	5.5
United States	5
China	4
India	3 (2019)

Source:World Bank (2019)

As shown in table 1, India has spent very less on education as a percentage of GDP as compared to other developed countries of the world. Considering the magnitude of educational institutions and number of students, it is a high time for the government to increase expenditure on education sector. Along with education, health is another sector which requires huge investment particularly for a developing country like India. According to the World Bank, the total expenditure on health care as a proportion of GDP in India in the year 2015 was 3.89%. Out of 3.89%, the governmental health expenditure as a proportion of GDP is just 1%, and the out-of-pocket expenditure as a proportion of the current health expenditure was 65.06% in 2015. This signifies the less importance assigned by India on health sector. The relative expenditure incurred on health related services by the countries as compared to India has been provided below.

Table 2 Amount Of Expenditure On Health As A Percentage Of GDP In The Year 2018

Country	Percentage
United States	16.9
Switzerland	12.2
Germany	11.2
France	11.2
Sweden	11
Japan	10.9
Canada	10.7
China	5
India	3.1

Source:World Bank (2019)

As shown in table 2, the amount of expenditure incurred on health related services by India is very less as compared other developed countries of the world. India has spent only 3.1 percent of GDP on health in comparison to countries like United States, Switzerland and Germany investing 16.9, 12.2 and 11.2 percent respectively. As significant proportion of population in India is below the poverty line, the country's expenditure on health sector is considered to be very low. A large chunk of people in India is not in a position to bear the cost arising out of health related emergencies. Being a welfare state, it is the moral responsibility of the state to provide those health care services either at very subsidized rate or free of cost. This is very relevant in this situation, where there is a sudden spread of the pandemic Covid 19. With a very limited number of health care facilities, in terms of less number health care personnel, testing laboratory and personal protection equipments, it is very likely that the country will find it troublesome to fight against this pandemic. Unless India reprioritizes its expenditure responsibilities towards health services, the country may fall into big trouble in near future.

CONCLUSION

The recent pandemic has renewed the importance of investment in crucial sector such as education and health. The positive externalities created by these sectors are incomparable to other sectors of the economy. It has long lasting effect across time and space for both developed and developing countries of the world. The lack of health preparedness particularly for infectious diseases created huge health hazards across all the countries of the world. India is also affected badly due to the sudden outbreak of the pandemic. Having low existing allocation for health sector,

there is an urgent need on the path of the country to reallocate the budgetary expenditure. This will lead to lack of resources for other sectors. The future growth and development of the country will depend on how effectively the country generates resources to mitigate the situation arising out of the recent outbreak of the pandemic.

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