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Analysing Status of Public Spending on Education in Himalayan state, Uttarakhand

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Abstract

Education was a cause of concern for both the state and the Union Government of India, as it is listed in the Indian Constitution's concurrent list, which ensures that education is the duty of both the state and the central governments.

Objective: Broad objective of this article is to study public expenditure on education in Uttarakhand.

Methods/statistical analysis: The current analysis is entirely based on secondary data, which was gathered from various sources such as state government budgets. This study does not provide any statistical analysis however theoretical analysis is presented in the study.

Findings: It was found that education expenditure in Uttarakhand is declining since the inception of the state. Looking at different sectors of education we found that there is a great fall in expenditure on elementary education as well as secondary education, and in university and higher education expenditure is stagnant 20212-13 onwards only exception is technical education and sports & youth.

Keywords: public expenditure, education, economic development, education status

Introduction

There is no doubt that development of any kind, whether economic or social, occurs and grows as long as the country has a strong education system to provide social infrastructure for its people. The seeds of the modern education system were spread by the British to India as they replaced the traditional Gurukul system of education that had previously prevailed in India, and it was introduced in the 1830s as a new education policy for Indians by Lord Thomas Babington Macaulay. Following independence, the Indian Constitution expressed concern about providing basic education to all citizens. Article 45 of the Indian Constitution states that the State shall come to an end.Education was a source of concern for both the state and the Union Government of India, as education is listed in the concurrent list of the Indian Constitution, which ensures that education is the responsibility of both the state and the central governments. To improve literacy rates in the country, the Indian parliament passed the 86th amendment to the Constitution, which made free

an option. In order to achieve this goal, the Indian government enacted the "Right to Education Act" in 2009.

Literature Review

Gramaccia and Lima (2013) found that the relationship between public spending and employment rates in the countries studied is mostly positive and statistically significant during this time. **Allen, Badiane and Ulimwengu (2012)** investigated the effect of social service spending on agricultural input marginal productivity. They found a substantial and nonlinear link between social outcomes and social expenditures, highlighting the significance of these outcomes for productivity. **Asgar and Zara(2012)** assessed if public education investment in Pakistan benefits the impoverished at various educational levels. Expenditure on basic and secondary education is progressive, whereas spending on higher education is regressive, according to the research team. **De and Endow (2008)** Examined the level and composition of public spending on education, as well as the way resources are shared, allocated, and used in aggregate and separately for real terms during the 1990s. Since then, the share of public spending on education has been less than 4% of GDP. However, there have been a lot of changes in the composition and mode of spending. **Baldacci, Guin-sui and Mello (2003)**[5] calculated the relationship between government education and healthcare spending. Their findings suggest that public spending, particularly in the education sector, is an important determinant of social outcomes. In their paper, **Calclough (1980)**[6] said that investment in elementary education increases productivity in every part of the economy more than investment in other levels of education, and that investment in elementary education has better economic returns than investment in other levels of education.

Education Status of India

Since India became a country in 1947, a lot of its educational development has been influenced by the idea that education is important for both economic growth and "human capital" growth. As a result, education is seen as an important part of national development and a way to make sure people have good jobs and can move up the social ladder, which leads to economic growth on a large scale. Education in India is such a vital and complex issue for policy makers as it has concern for the second largest population in the world. As we see in table 1, which is related to the percentage change in literacy according to increasing population from 1951 to 2011, it shows that the increasing percentage of literacy gives a hopeful and cherishing result as the growth in the percentage of literacy rate from 18.33 percent in year 1971 to 74.04 percent in year 2011.

While both the public and private sectors provide education in India, it is still a priority for the public sector to give education to all, as free and compulsory education is a fundamental right for children aged 6 to 14 years under different provisions of the Indian Constitution.The public school

to private school ratio is 7:5. In terms of the number of colleges and universities, India has one of the world's largest higher education systems. In 2013-14, there were 713 universities, 36,739 colleges, and 11343 diploma institutions.

Table 1: Population and Literacy Rate

Population (In Thousands)	361088	439235	548160	683329	846421	1028737	1210855
Literacy Rate (in %) of Population (Inida)	18.33	28.3	34.45	43.57	52.21	64.84	74.04

Source: Economic Survey, 2014-15, Government of India, Office of Registrar General, Ministry of Home Affairs and National Commission on Population, Government of India.

Table 2: Number of Institutions by Type-2013-14

SCHOOL EDUCATION	TYPE		Number
	PRIMARY		790641
	UPPER PRIMARY		401080
	SECONDARY		131287
	SENIOR SECONDARY		102558
	TOTAL		1425564
HIGHER EDUCATION	UNIVERSITIES	CENTRAL UNIVERSITY	42
		STATE PUBLIC UNIVERSITY	310
		DEEMED UNIVERSITY	127
		STATE PRIVATE UNIVERSITY	143
		CENTRAL OPEN UNIVERSITY	1
		STATE OPEN UNIVERSITY	13
		INSTITUTION OF NATIONAL IMPORTANCE	68
		INSTITUTIONS UNDER STATE LEGISLATURE ACT	5
		OTHERS	3
		TOTAL	712
	COLLEGES		36671
	STAND ALONE INSTITUTION	DIPLOMA LEVEL TECHNICAL	3541
		PGDM	392
		DIPLOMA LEVEL NURSING	2674
		DIPLOMA LEVEL TEACHER TRAINING	4706
		INSTITUTE UNDER MINISTRIES	132
		TOTAL	

Source: http://mhrd.gov.in/sites/upload_files/mhrd/files/statistics/EAG2014.xlsx

No country can achieve long-term economic success without considerable expenditures in human capital. Education helps people get a better understanding of themselves and their environment. It enhances their quality of life and provides a plethora of social advantages to both people and society. Education boosts individuals' productivity and creativity while also promoting entrepreneurship and technical innovation. Furthermore, it plays a critical role in ensuring economic and social progress and improving income distribution . Education is important for both human and economic growth, and it is affected by the environment in which it is found. All of these things require policy changes: technological advancements, changes in the labour market, and the general global environment. Traditions, culture, and faith all have an impact on the educational system and are influenced by them .

Table 3: World Development Indicator Status on Education of India

Indicator Name	1971	2001	2005	2010
GROSS ENROLLMENT RATIO, PRIMARY, BOTH SEXES (%)	78.86563	94.41247		109.1837
PUPIL-TEACHER RATIO IN PRIMARY EDUCATION (HEADCOUNT BASIS)	41.45214	40.14999		
GROSS INTAKE RATIO TO GRADE 1 OF PRIMARY EDUCATION, FEMALE (%)	79.83804	111.2009	125.1142	118.0563
GROSS INTAKE RATIO TO GRADE 1 OF PRIMARY EDUCATION, MALE (%)	117.9303	128.4058	130.1801	115.873
SURVIVAL RATE TO THE LAST GRADE OF PRIMARY EDUCATION, FEMALE (%)	31.04129	63.53698		
SURVIVAL RATE TO THE LAST GRADE OF PRIMARY EDUCATION, MALE (%)	39.00946	59.70518		
CHILDREN OUT OF SCHOOL, PRIMARY, FEMALE	18054748	13016778		1688497
CHILDREN OUT OF SCHOOL, PRIMARY, MALE	9926844	6197319		3137944
GOVERNMENT EXPENDITURE PER STUDENT, PRIMARY (% OF GDP PER CAPITA)		13.3116		7.19477
GOVERNMENT EXPENDITURE PER STUDENT, SECONDARY (% OF GDP PER CAPITA)		23.21726	16.68555	13.56898
GOVERNMENT EXPENDITURE PER TERTIARY STUDENT AS % OF GDP PER CAPITA (%)			57.78964	68.7199
EXPENDITURE ON EDUCATION AS % OF TOTAL GOVERNMENT EXPENDITURE (%)			11.53216	11.74278
TOTAL (% OF GDP)			3.1338	

Source: United Nations Educational, Scientific, and Cultural Organization (UNESCO) Institute for Statistics.

Education Status of Uttarakhand

With literacy rates higher than the national average, the state has an abundance of high-quality human resources. Historically, Uttarakhand is thought to be the location of a number of Hindu Shastras. The Mahabharata, a great epic written by well-known saint Ved Vyas, was also written here.Uttarakhand is home to educational institutions that are important to both India and the rest of the world. The Indian Institute of Technology (IIT), Asia's oldest engineering college, is located in Roorkee. Govind Ballabha Pant University in Pantnagar, Kumaun University in Nainital and Almora, Dev Sanskriti University in Haridwar, Sri Dev Suman University in New Tehri, and the central university H.N.B. Garhwal University in Srinagar, New Tehri, and Pauri are also important. Other important institutes include the Indian Military Academy in Dehradun, the Nehru Institute of Mountaineering (NIM) in Uttarkashi, and the Lal Bahadur Shastri IAS Academy in Mussorrie.Forest Research Institute in Dehradun. Rishikesh is widely considered the Yoga capital of the world.

Table 4: Enrolment in Education

LEVEL/ YEAR	PRIMARY	UPPER PRIMARY	SECONDARY	SENIOR SECONDARY	HIGHER EDUCATION
1950-51	192	31	NA	15	4.0
1970-71	570	133	NA	76	33
1990-91	974	340	NA	191	49
2005-06	1321	522	250	134	143
2011-12	1399	630	341	210	292

Source: census of India

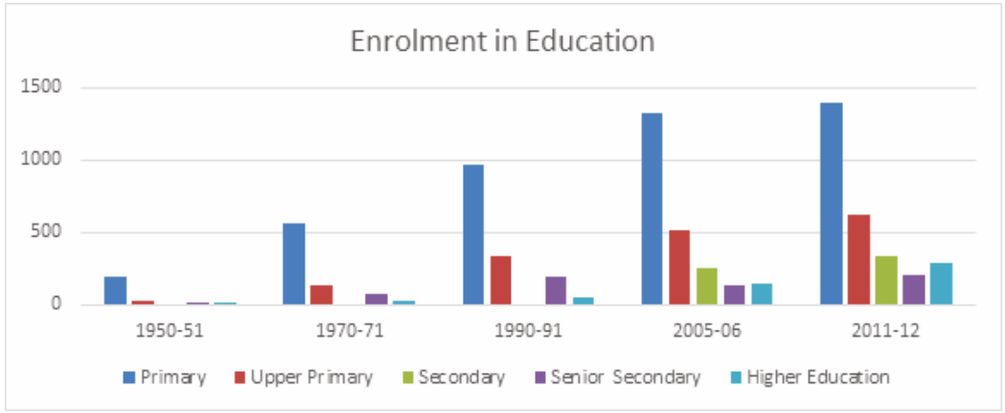


Table 5: Education Indicators 2015-16

Progress since 2006-07	
	2015-16
PRIMARY ONLY SCHOOLS (GOVT. + AIDED)	12541
UPPER PRIMARY SCHOOLS (GOVT. + AIDED)	5345
TOTAL PRIMARY ENROLMENT (IN LAKH)	1115208
TOTAL UPPER PRIMARY ENROLMENT (IN LAKH)	597465
TOTAL ELEMENTARY ENROLMENT (IN LAKH)	1712673
GER PRIMARY	104.89
NER PRIMARY	89.18
GER UPPER PRIMARY	92.56
NER UPPER PRIMARY	71.00
TEACHERS IN GOVT. SCHOOLS	62559
OUT OF SCHOOL CHILDREN	

Source: http://ssa.uk.gov.in/files/Educational_Indicators_format_for_the_AWPB_-_2015-16_State_1

Public Expenditure on Education

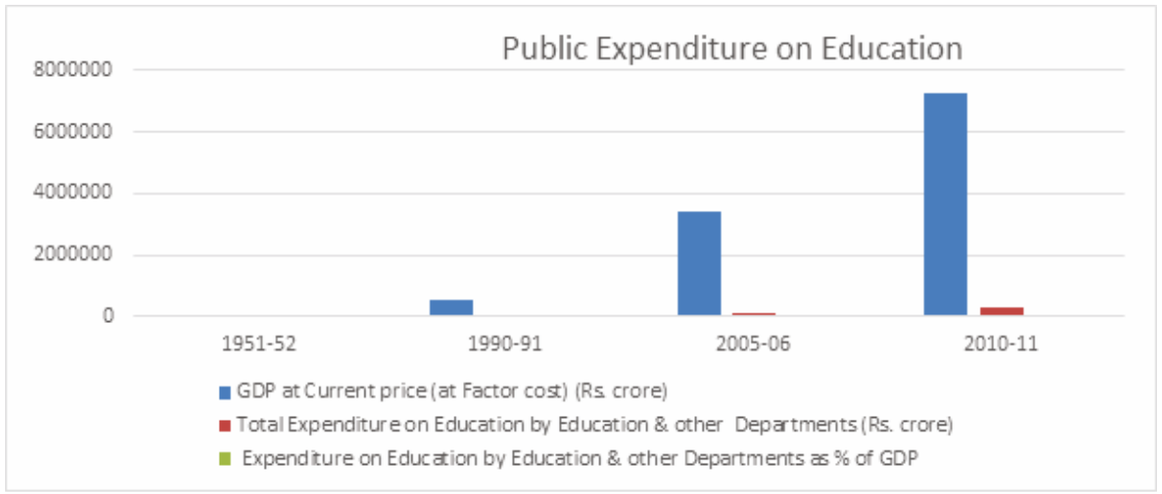
The pattern of expenditure by the federal and state governments on a particular sector reflects the sector's importance in public policies.On the question of government financing of education, the proposals of the education commission (1966), widely known as the Kothari Commission, are recognised as significant milestones in this respect.The commission estimated India's educational system's financial requirements up to 1985-86, and recommended that "if education is to develop adequately, the proportion of GNP allocated to education will rise to 6.0 percent in 1985-86."The Kothari Commission offered a number of suggestions, one of which was adopted and implemented by the Indian government in 1968 as part of the National Policy on Education (NPE). However, one may argue that the commission's forecasts were set several years ago and were based on relatively conservative growth in enrolment, per-student expenditure, and other variables.Nonetheless, it is

significant because the benchmark has remained unachieved thus far. In India, there are a number of education policies related to education financing, but the gap is growing. The Saikia Committee recommended spending 6% of GNP on education, but after 17 years, spending has not even reached 5%.

Table 6: Public Expenditure on Education

YEAR	GDP AT CURRENT PRICE (AT FACTOR COST) (RS. CRORE)	TOTAL EXPENDITURE ON EDUCATION BY EDUCATION &OTHER DEPARTMENTS (RS. CRORE)	EXPENDITURE ON EDUCATION BY EDUCATION & OTHER DEPARTMENTS AS % OF GDP
1951-52	10080	64.46	0.64
1990-91	510964	19615.85	3.84
2005-06	3390503	113228.71	3.34
2010-11	7248860	293478.23	4.05

Source: http://mhrd.gov.in/sites/upload_files/mhrd/files/statistics/EAG2014.xlsx



In Uttarakhand

The amount of money spent on education in Uttarakhand has decreased from 20.8 percent in 2009 to 17.49 percent in the 2014-15 budget predictions. As evidenced by a decrease in public spending on education in contrast to the GSDP, education is becoming a lower priority for the state government. In its annual plans, the state administration agreed to allocating 2% of its GSDP to the state higher education sector, although reality is far from that promise. The government spends only 0.21 percent of GDP on higher education, a number that has been stable over the past year. Spending for secondary and technical education, on the other hand, is decreasing.

Table 7. PUBLIC EXPENDITURE ON EDUCATION AS PERCENT OF GSDP

Composition of Public Expenditure on Education as percent of GSDP at current prices (2009-10 to 2014-15)

Item (value in %)	2009-10	2010-11	2011-12	2012-13	2013-14 RE	2014-15 BE
Elementary Education	1.97	1.72	1.65	1.52	1.49	1.43
Secondary Education	1.81	1.58	1.68	1.64	1.69	1.54
Sports and Youth	0.04	0.04	0.04	0.06	0.10	0.09
University and Higher Education	0.20	0.25	0.18	0.21	0.21	0.21
Technical Education	0.10	0.10	0.09	0.09	0.17	0.13

Source: *Uttarakhand State Budget documents of various years, Data for use of Deputy chairman, Planning Commission. 2013*

From above table it is clear that there was a constant decrease in public spending on education in Uttarakhand although promised but still the reality is somehow different.

Conclusion and Suggestions

All forms of education are crucial in the growth process, and they all contribute to it. Nobody can achieve long-term economic progress without making considerable investments in human capital. Human education helps people gain a more comprehensive understanding of themselves and their surroundings. Increased quality of life and a broad range of social benefits accrue to both individuals and society as a result of this policy.The purpose of this research is to look at the rise in government education spending in Uttarakhand and the tendencies that have emerged. Governments, whether at the national or state level, do not maintain their promises, according to the findings of this study. There has been a considerable gap between reality and promises since the Kothari commission until now.According to the MHRD statistics report 2014, education spending by education and other departments as a percentage of GDP was as low as 0.64 percent in 1950-51, and while it is now at 4.05 percent, it is still considerably below the levels suggested by various commissions. The situation is similar at the state level, in fact, the problem is worse at the state level because public education spending has been declining since 2009-10 till 2014-15.

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