Name of the Paper: Course Code:

Centre for Internal Quality Assurance (CIQA)
Krishna Kanta Handiqui State Open University
City Office, Housefed Complex, Guwahati- 06

Learner's Feedback on Course

Dear Learner,

Regarding the course as mentioned above, we would like to know your opinions and comments so as to improve the quality of self learning materials in future. Please respond to the following statements by ticking the number you feel most reflect your opinion. After completion of the additional comments, please detach the page and send/mail the same to us at the address given below.

The Director, Centre for Internal Quality Assurance, KKHandiqui State Open University
Housefed Complex, Dispur, Guwahati- 781006
(E-mail id: ciqa@kkhsou.in)

1. Approximately how many hours did you spend for studying the units in the course? | | | |
2. Please give your opinions (by √ mark) to the following items based on your reading of the block:

Sl. No.	Statements	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
I.	The SLMs of the course fulfil the learning objectives set out in the beginning of each unit					
II.	The units of the SLM could satisfy my academic needs and expectations					
III.	The Unit writers have excellent knowledge about the course contents					
IV.	Language and contents of the units were presented at a level which I could readily understand					
V.	Ample opportunity for participation in the activities provided in the units					
VI.	Used enough Illustrations (Diagrams, tables etc.) for conceptual clarity					
VII.	Quality of content is engaging, relevant, and up-to-date					
VIII.	The self check questions are very helpful					
IX.	The Possible/model questions and the answers to check my progress have benefited me a lot					

Additional Comments: *(Please feel free to provide your open comments)*

1. Which aspects of the SLM, according to you, worked well?

   ---

2. What sort of changes/improvements do you feel KKHSOU could implement to improve the overall quality of the SLM?

Thank you for taking the time to complete this form.

******

(To be inserted as last page after the end of the last unit of the course)

Q.2. What is the magnitude of expenditure on elementary education in India?

Q.3. Write on the growth rate of expenditure on elementary education in India.

Q.4. Write on the pattern of expenditure on elementary education in India.

Q.5. What is Plan and Non-Plan Expenditure?

Q.6. Explain the importance of financing elementary education.

Q.7. What are the different types of expenditure sub-heads under elementary education in India.

Q.8. Write a note on the magnitude and pattern of expenditure on elementary education in India and Assam.

Q.9. Write a note on the growth rate and trend of expenditure on elementary education in India and Assam.

Q.10. What are the problems of financing elementary education in India?

****

India, the elementary level presently starts in Class I and ends with Class X. However, the elementary level is divided into two levels-lower primary level (from Class I to Class VIII) and upper primary level (from Class VIII to Class X).

Answer to Q No.2:

Every government needs to finance elementary education because elementary education is a basic right and it is the responsibility of the government to provide education to their citizens. The foundation of human capital formation in a country completely depends on the elementary education. In addition, the targets of eradication of illiteracy through the goal of free and compulsory education for the children in India and other developing countries and better human development are some of the important roles of elementary education.

Answer to Q No.3:

There are many sub-heads of expenditure within elementary education. These sub-heads under elementary education are

(i) Expenditure on Direction, Inspection and Administration
(ii) Expenditure on Govt. Primary Schools
(iii) Assistance to Non-Govt. Primary Schools
(iv) Assistance to Local Bodies for Primary Schools
(v) Expenditure on Teachers Training
(vi) Expenditure on Non Formal Education
(vii) Expenditure for Scholarships
(viii) Expenditure on Text Books and
(ix) Expenditure on Sarva Shiksha Abhiyan (SSA)



7.11 MODEL QUESTIONS

Q.1. Why does the government need to finance the elementary education?

rate for India is between 15 to 25 percent whereas it is highly fluctuating from negative growth (-0.63 percent) to 35 percent in the last decade.

- Finally, there are many problems of financing elementary education in India. Some of the important problems in the country are inadequacy of resources, Low private participation, misallocation of resources, under-utilisation, and presence of political sway, and lack of accountability.



7.9 FURTHER READING

1. Blaug, M. (1970). *An Introduction to the Economics of Education.* Allen Lane, London
2. Johnes, Geraint & Johnes, Jill (eds.) (2004). *International Handbook on the Economics of Education.* Edward Elgar Publishing Ltd. Cheltenham (UK)
3. Government of India (2004 to 13). *Analysis of Budgeted Expenditure on Education.* Annual Reports published by Ministry of Human Resource Development, New Delhi
4. Varghese, N.V. & Tilak, J.B.G. (1991). *The Financing of Education in India.* International Institute for Educational Planning, Paris



7.10 ANSWERS TO CHECK YOUR PROGRESS

Answer to Q No.1:

Elementary education is usually regarded as the education which children receive during their childhood stage and early teenage stage of their life. Although the average ages of entrance and exit in elementary level education vary considerably among the various nations in

cation sector. According to Jean Dreze and Amartya Sen, the ultimate expansion on basic education in India depends a great deal on the political factors.

- **Lack of Accountability**

Lack of accountability of fund allocation is another problem of financing of education. In India, there is almost no accountability in the entire education system.



7.8 LETS US SUM UP

- Financing of elementary education is a formidable task and the foundation of human capital formation in a country completely depends on the elementary education.
- There are many reasons for financing elementary education. Low literacy rate, unavailability of educational opportunities and abolition of illiteracy are some of the few reasons for financing elementary education.
- The expenditure on elementary education is one of the major heads of total expenditure and within elementary education itself there are several sub-heads of expenditure account.
- The magnitude of the expenditure on elementary education in India is growing four-fold in the last decades but for Assam the growth is three-fold.
- Moreover, the percentage share of Assam in the total budgeted expenditure on elementary education is decreasing from almost 3.4 percent to 2.7 percent in the last decade.
- Plan expenditure in elementary education in India is steadily increasing from 28 percent to 41% but in Assam it is fluctuating at around 10% only.
- While comparing the growth rate of expenditure on elementary education between India as a whole and Assam, it is seen that the growth

tary education is the inadequacy of resources. Many international agencies on education emphasized that the total expenditure in education in a country should be at least 6% of GDP of the country.The National Policy on Education 1968 documents fixed a target of 6% of national income to be invested on education from the government fund by 1986 but this goal has been repeatedly postponed due to lack of resources. Currently, the expenditure on education in India is around 3.5% of GDP in 2013-14 but this share is now growing.

- **Lack of Private Participation**

Lack of private participation in the financing of education particularly on elementary education is one of the major obstacles of educational development in India. In most of the developed countries and even in some developing countries like China, the share of private investment on education is more than one third of the total budgetary allocation. In India this share of private investment is less than 10% in the last couple of years.

- **Misallocation of Resources**

Misallocation of resources is another problem of financing elementary education in the countrywhich is mainly because of lack of expertise and proper planning. However, this problem of misallocation is reducing because of the introduction of proper planning and appointment of capable manpower in the country.

- **Inefficiency in Utilization**

There are many loopholes in the utilisation procedure of the fund while financing education in the country. Inefficiency in terms of under-utilisation of resources while provisioning educational infrastructure is one of the major problems in financing the elementary education sector in India.

- **Influence of Political Factors**

In India, the political leaders always show their influential presence while preparing any developmental plan in the country including in the edu-

7.6 GROWTH AND TREND OF EXPENDITURE IN ELEMENTARY EDUCATION

During the period from 2004-05 to 2013-14, the growth rate of the expenditure on elementary education for both India and Assam has been shown in the following table (Table 12.3). It is seen in the table that the average growth rate of the expenditure for India during the same period is fluctuating on and around 15% but in Assam the growth rate is highly fluctuating from negative growth (-0.63%) in 2005-06 to huge 36.4% in 2010-11.

Table 7.3: Growth Rate of Expenditure on Elementary Education in India and Assam *(Figures are in Percentage)*

Year	Growth Rate	
	India	Assam
2004-05		
2005-06	19.84	-0.63
2006-07	19.69	2.14
2007-08	14.40	3.10
2008-09	14.98	35.66
2009-10	20.98	12.53
2010-11	25.12	36.38
2011-12	15.12	3.58
2012-13	19.00	35.31
2013-14	13.31	14.66

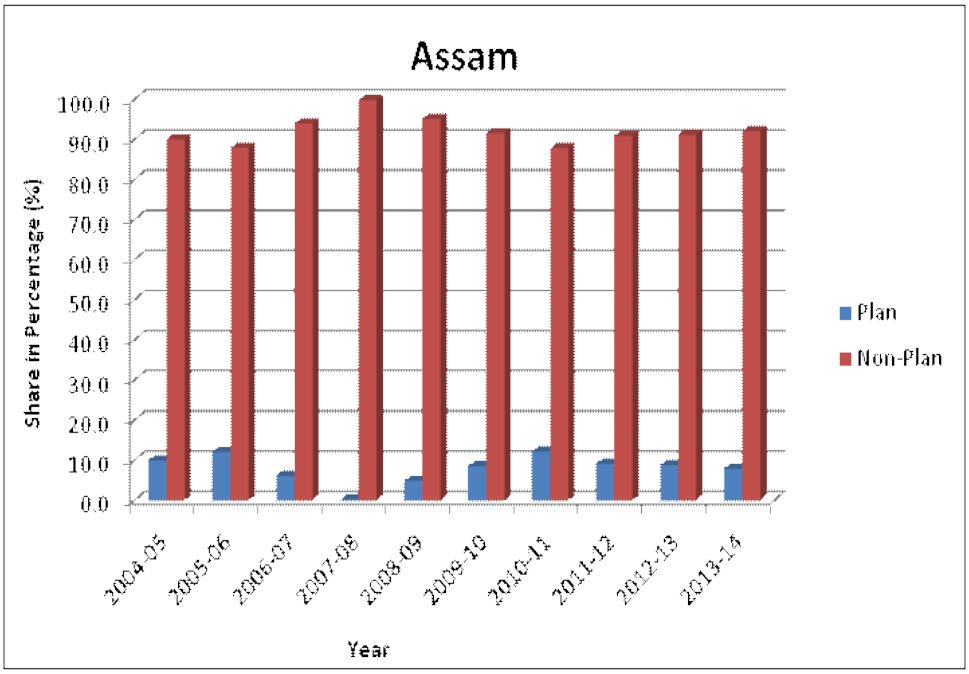
7.7 PROBLEMS OF FINANCING ELEMENTARY EDUCATION IN INDIA

There are many problems while financing education in India in all levels that include elementary, secondary and higher education. However, some of the common problems and loopholes are discussed below:

- **Inadequacy of Resources**

  In India, the main issue while financing education especially elemen-

Figure 7.2: Percentage Share of Plan and Non-Plan Expenditure on Elementary Education in Assam





LET US KNOW

Plan Expenditure

Plan expenditure are those expenditure which are allocated for new developmental schemes or plan of a country. Thus,plan expenditure can broadly be identified with expenditure incurred on 'development' activities. In India, the NITI Aayog (formerly known as Planning Commission) takes care of the allocation of resources to the states on account of plan expenditure.

Non-plan Expenditure

Non-plan expenditure are the usual expenditure to run the general functions of the education department of the country such as salary for the staff, administration and other related expenditure. Thus, the non-plan expenditure refers to 'maintenance' expenditure of the education department. In India, the Finance Commission decides on the non-plan expenditure.

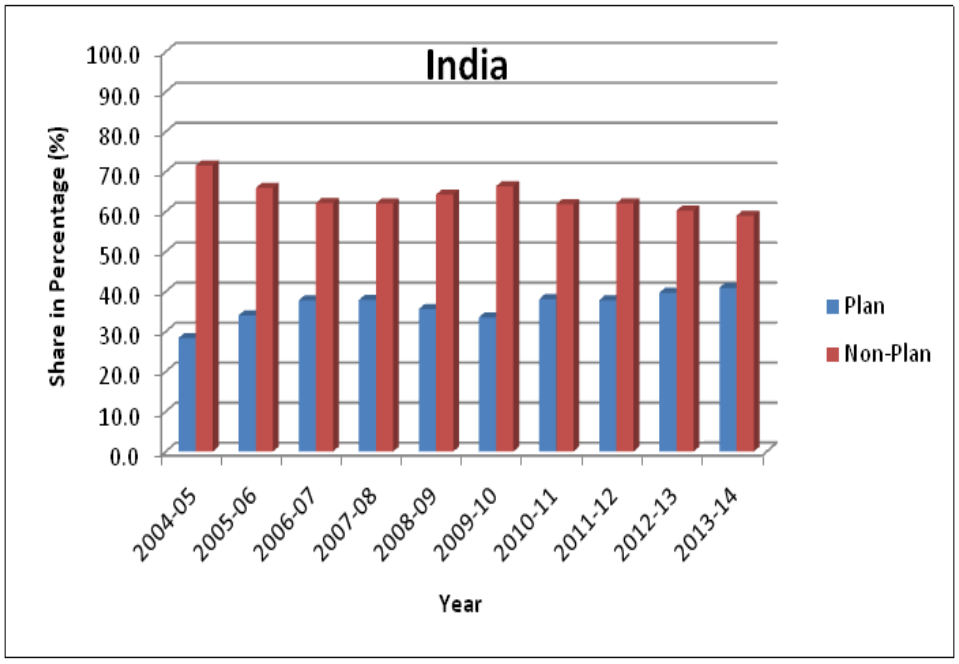
Table 7.2: Plan and Non-Plan Expenditure on Elementary Education in India and Assam *(Figures are in Percentage)*

Year	India		Assam	
	Plan	Non-Plan	Plan	Non-Plan
2004-05	28.4	71.6	10.0	90.0
2005-06	34.1	65.9	12.1	87.9
2006-07	37.8	62.2	6.0	94.0
2007-08	37.9	62.1	0.2	99.8
2008-09	35.7	64.3	4.9	95.1
2009-10	33.6	66.4	8.5	91.5
2010-11	38.1	61.9	12.1	87.9
2011-12	37.9	62.1	9.1	90.9
2012-13	39.7	60.3	8.8	91.2
2013-14	41.0	59.0	7.9	92.1

Source: Ministry of Human Resource Development, Government of India

In the figures (Figure 12.1 and 12.2), the bar diagram for the percentage share of plan and non-plan expenditure on elementary education has been shown for both India and Assam respectively.

Figure 7.1: Percentage Share of Plan and Non-Plan Expenditure on Elementary Education in India



In the table, it is seen that the total expenditure on elementary education in India has increased from around 41874.2 crore rupees in 2004-05 to 185614.9 crore rupees in 2013-14. On the other hand, in Assam that total expenditure has increased from 1429.4 crore rupees to 5004.3 crore rupees during the same period. Thus, the amount spent on elementary education in India has increased by four-fold whereas in Assam the amount increased by three-fold during that period. But the percentage share of Assam in the total budgeted expenditure on elementary education in the country shows a decreasing trend from 3.4% to 2.7% with an average of 2.5% during the period from 2004-05 to 2013-14.

Table 7.1: Total Expenditure (Revenue) on Elementary Education in India and Assam

(Amount in Crore Rupees)

Year	Amount		Share of Assam (%)
	India	Assam	
2004-05	41874.17	1429.44	3.4
2005-06	50181.99	1420.43	2.8
2006-07	60062.84	1450.89	2.4
2007-08	68709.52	1495.88	2.2
2008-09	79000.85	2029.25	2.6
2009-10	95573.49	2283.49	2.4
2010-11	119581.45	3114.17	2.6
2011-12	137667.32	3225.67	2.3
2012-13*	163817.75	4364.62	2.7
2013-14**	185614.91	5004.32	2.7

Source: Ministry of Human Resource Development, Government of India

Note: * Revised Estimates (RE) and ** Budget Estimates (BE)

However, the pattern of the expenditure on elementary education can be examined by the share of plan and non-plan expenditure in the total amount. In India, the share of plan expenditure in the total budgeted expenditure is increasing from around 28% in 2004-05 to 41% with a rising trend during the period. But during the same period the share of plan expenditure in Assam is fluctuating around 10%.

- **Expenditure on Text Books:** Total expenditure on publication of free text books for the students of primary schools are included in this accounthead.
- **Expenditure on Sarva Shiksha Abhiyan (SSA):** Total expenditure on Sarva Shiksha Abhiyan (SSA) is included in this account head. SSA was launched in 2001 and it has been running since then.
- **Expenditure on Mid Day Meal Scheme (MDM):** Expenditure on mid day meal scheme to provide free cooked foods for the students of primary schools is included in this account head.
- **Other expenditure:** All other expenditure related to the primary education are included in this account head.



CHECK YOUR PROGRESS

Q1. What is elementary education?

……

……

Q2. Why do the governments need to finance elementary education?

……

……

Q3. What are the types of expenditure on elementary education?

……

……

7.5 MAGNITUDE AND PATTERN OF EXPENDITURE IN ELEMENTARY EDUCATION

In the following table (Table 7.1), the total amount spent (in crore rupees) on elementary education in both India and Assam has been shown from the period 2004-05 to 2013-14 along with the percentage share of Assam in the total expenditure of the country on elementary education.

crore illiterates in the country and around 60 percent of them are females. In order to increase the literacy level massive involvement of public finance is required, particularly at the elementary education level.

7.4 TYPES OF EXPENDITURE IN ELEMENTARY EDUCATION

The expenditure to be incurred in Elementary Education is one of the major expenditure heads of the total expenditure in education in India. But within elementary education itself, there are many sub-heads of expenditure. These sub-heads under elementary education in our country as per the 'Analysis of Budgeted Expenditure on Education' published annually by the Ministry of Human Resource Development, Government of India,are as given below:

- **Expenditure on Direction, Inspection and Administration:** All expenditures incurred on administration and management of the elementary education department are included in this account head.
- **Expenditure on Govt. Primary Schools:** Total expenditures on govt. primary schools such as salaries to teachers, construction of school buildings and administration expenses of the schools are included in this accounthead.
- **Assistance to Non-Govt. Primary Schools:** Occasional financial assistance to non-govt. primary schools is included in this account head.
- Assistance to Local Bodies for Primary Schools.
- **Expenditure on Teachers Training:** Expenditure incurred on teachers training to improve the quality of teachers are included in this account head.
- **Expenditure on Non Formal Education:** All expenditure related to primary non formal education other than education for school dropouts, children from habitations without schools and working children who cannot attend whole-day schools, etc. are included here.
- **Expenditure for Scholarships:** Expenditure for scholarships to the students of primary schools is included in this account head.

7.2 INTRODUCTION

In most of the developing and developed countries like India, the financing of elementary education is a formidable challenge. Elementary education is a basic right and it is the responsibility of the government to provide education to their citizens. In addition, the foundation of human capital formation in a country completely depends on the elementary education. Nowadays, education is one of the main determinants of human development index (HDI) which is the indicator of human well being.

The elementary education is usually regarded as the education children receive during their childhood an early teenage stage of their life. Although the average age of entrance and exit in elementary level education vary considerably among various nations, the elementary level in India starts with Class I and ends with Class VIII. However, the elementary level is divided into two levels-lower primary level (from Class I to Class V) and upper primary level (from Class Vto Class VIII).

7.3 IMPORTANCE OF FINANCING ELEMENTARY EDUCATION

After the Independence in 1947, the Government of India realised the need of educational development in the country because at the time of independence the literacy rate was abysmally low compared to that of other developing countries. Moreover, the availability of educational opportunities was not balanced between rural and urban areas. Thus, giving the top priority of educational development, the Government of India has undertaken a set of targets including the goal of free and compulsory education for the children upto the age of 14 years.

According to the latest Census, India has the largest number of illiterates in the world. The Census 2011 records that there are more than 40

UNIT 7 : FINANCING ELEMENTARY EDUCATION

UNIT STRUCTURE

7.1 Learning Objectives

7.2 Introduction

7.3 Importance of Financing Elementary Education

7.4 Types of Expenditure in Elementary Education

7.5 Magnitude and Pattern of Expenditure in Elementary Education

7.6 Growth and Trend of Expenditure in Elementary Education

7.7 Problems of Financing Elementary Education in India

7.8 Lets Us Sum Up

7.9 Further Reading

7.10 Answers to Check Your Progress

7.11 Model Questions

7.1 LEARNING OBJECTIVES

After going through this unit, you will able to:

- explain the importance of financing elementary education in a country.
- mention the different types of sub-heads of expenditure on elementary education in India.
- elaborate the magnitude and pattern of the expenditure on elementary education during the period from 2004 to 2013.
- elucidate the growth and trend of the expenditure on elementary education.
- explain the present issues in the financing of elementary education in India.