UNIT 8 : FINANCING IN SECONDARY EDUCATION

UNIT STRUCTURE

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8.1 LEARNING OBJECTIVES

After going through this unit, you will be able to

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

8.2 INTRODUCTION

Secondary education is usually regarded as the education which children receive during the teenage stage of their life. Although the average ages of entrance and exit in secondary level education vary considerably among various nations, in India, the secondary level presently starts in Class VIII and ends with Class XII (+2 level).The provision of funds for secondary education by the government is the second most priority after elementary education in a country. In India, the expenditure on secondary education is the second largest after the elementary education. As the literacy rate is increasing through the delivery of elementary education in the country, the demand for secondary education is also rising. The manpower demand of an economy such as skilled and semi-skilled workers is fulfilled from the secondary education sector.

8.3 IMPORTANCE OF FINANCING IN SECONDARY EDUCATION

In most of the developing countries like India where population is growing speedily, the economy is also expanding through the development of industry that has created various employment opportunities. The immediate demand of these countries is for high skilled and semi-skilled labour who would work in the newly started industries.This high demand of skilled and semi-skilled labour can be met only through secondary education.To meet the manpower demand of the industries, the government needs to provide job-oriented vocational secondary education to make the students capable to work in the industries. Thus, proper vocationalisation of the secondary education based on demand of the current economy is the responsibility of the government.Moreover, secondary education is the platform for the future of highly educated manpower especially scientists and professionals.

8.4 TYPES OF EXPENDITURE IN SECONDARY EDUCATION

As in case of elementary education, expenditure in secondary education is one of the major expenditure heads in India. But, within secondary education, there are many sub-heads of expenditure. These sub-heads of secondary education in India as per the 'Analysis of Budgeted Expenditure on Education' published annually by Ministry of Human Resource Development, Government of India, are as given below:

(i) **Expenditure on Direction, Inspection and Administration:** All expenditure incurred on administration and management of secondary education department are included in this account head.

(ii) **Expenditure on Govt. Secondary Schools:** Total expenditures on govt. secondary schools such as salaries to teachers, constructions of school buildings and administration expenses of the schools are included in this accounthead.

(iii) **Assistance to Non-Govt. Secondary Schools:** Occasional financial assistance to non-govt. secondary schools is included in this account head.

(iv) Assistance to Local Bodies for Secondary Schools

(v) **Expenditure on Teachers Training:** Expenditures incurred on teachers training to improve the quality of teachers are included in this account head.

(vi) **Expenditure on Non Formal Education:** All expenditure related to secondary non formal education other than schools like education for school drop-outs, children from habitations without schools and working children who cannot attend whole-day schools, etc. are included in this account.

(vii) **Expenditure for Scholarships:** Expenditure for scholarships to the students of secondary schools is included in this account head.

(viii) **Expenditure on Text Books:** Total expenditure on publication of free text books for the students of secondary schools are included in this accounthead.

(ix) Other expenditure: And all other expenditure related to the secondary education are included in this account head.



CHECK YOUR PROGRESS

Q.1. What is secondary education?

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Q.2. What is the importance of financing in secondary education?

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Q.3. What are the types of expenditure in secondary education?

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8.5 MAGNITUDE AND PATTERN OF EXPENDITURE IN SECONDARY EDUCATION

In the following Table (Table 8.1), the total amount spent (in crores) on secondary 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 secondary education.

In the Table, it is seen that the total expenditure on secondary education in India has increased from around 25110.62 crore of rupees in 2001-05 to 109992.63 crore of rupees in 2013-14. On the other hand, in Assam this expenditure has increased from 663.85 crore of rupees to 2499.68 crore of rupees during the same period. Thus, the amount spent on secondary education both in India and Assam has increased by four-fold almost equally during the same period. But the percentage share of Assam in the total

budgeted expenditure on secondary education in the country shows a steady trend with an average of 2.3% during the period from 2004-05 to 2013-14.

Table 8.1: Total Expenditure (Revenue) on Secondary Education in India and Assam

(Amount in Crore of Rupees)

Year	Amount		% Share of Assam
	India	Assam	
2004-05	25110.62	663.85	2.6
2005-06	27804.64	653.66	2.4
2006-07	31675.15	725.48	2.3
2007-08	35587.49	796.40	2.2
2008-09	45504.09	1012.26	2.2
2009-10	59471.25	1063.62	1.8
2010-11	70450.67	1758.76	2.5
2011-12	82358.65	1758.56	2.1
2012-13*	97485.31	2409.82	2.5
2013-14**	109992.63	2499.68	2.3

Source: Ministry of Human Resource Development, Government of India

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

However, the pattern of expenditure on secondary 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 7.5% in 2004-05 to 22.3% with a steep rising trend during the period. But during the same period the share of plan expenditure in Assam is fluctuating with a lowest share in 2006-07 and steadily increasing from 2010-11.

Table 8.2: Plan and Non-Plan Expenditure on Secondary Education in India and Assam *(Figures are in Percentage)*

Year	India		Assam	
	Plan	Non-Plan	Plan	Non-Plan
2004-05	7.5	92.5	10.8	89.2
2005-06	9.0	91.0	9.3	90.7
2006-07	10.4	89.6	0.5	99.5
2007-08	10.3	89.7	3.6	96.4
2008-09	11.0	89.0	2.0	98.0
2009-10	11.4	88.6	2.2	97.8
2010-11	14.0	86.0	15.9	84.1
2011-12	17.5	82.5	11.3	88.7
2012-13	21.8	78.2	15.4	84.6
2013-14	22.3	77.7	13.8	86.2

Source: Ministry of Human Resource Development, Government of India.

In the figures (Figure 8.1 and 8.2), the bar diagram for the percentage share of plan and non-plan expenditure on secondary education has been shown for both India and Assam respectively.

Figure 8.1: Percentage Share of Plan and Non-Plan Expenditure on Secondary Education in India

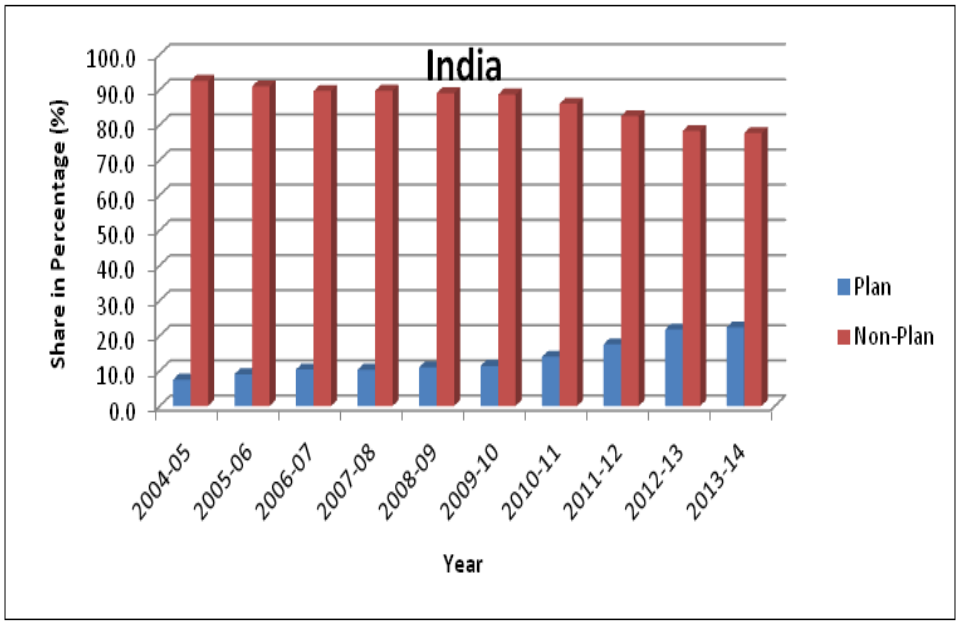
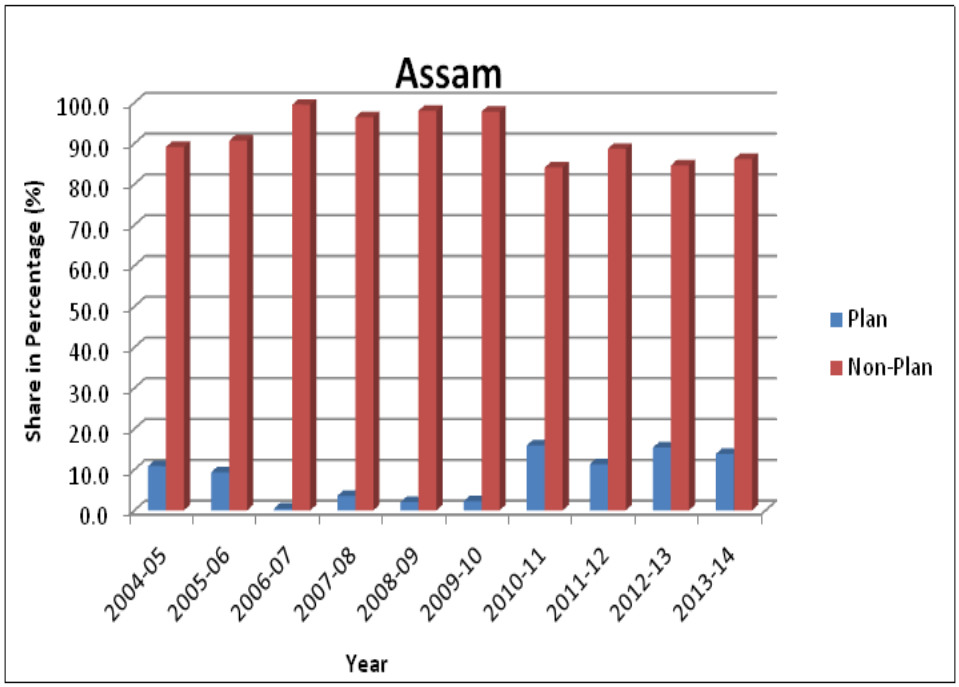


Figure 8.2: Percentage Share of Plan and Non-Plan Expenditure on Secondary Education in Assam



8.6 GROWTH AND TREND OF EXPENDITURE IN SECONDARY EDUCATION

During the period from 2004-05 to 2013-14, the growth rate of expenditure on secondary education for both India and Assam has been shown in the following Table (Table 8.3). It is seen in the Table that the average growth rate of the expenditure for India during the same period is fluctuating, particularly it is seen as steeply rising from 2004-05 2009-10 and after 2010-11 it is seen to be gradually deceasing. But, in case of Assam, the growth rate is highly fluctuating with negative growth in 2005-06 and 2011-12 and extremely high growth rate in 2010-11 and 2012-13 (Table 8.3).

Table 8.3: Growth Rate of Expenditure on Secondary Education in India and Assam *(Figures are in Percentage)*

Year	Growth Rate	
	India	Assam
2004-05		
2005-06	10.73	-1.53
2006-07	13.92	10.99
2007-08	12.35	9.78
2008-09	27.87	27.10
2009-10	30.69	5.07
2010-11	18.46	65.36
2011-12	16.90	-0.01
2012-13	18.37	37.03
2013-14	12.83	3.73

8.7 PROBLEMS OF FINANCING THE SECONDARY EDUCATION IN INDIA

- **Inadequacy of Resources**

In India, the main issue while financing secondary education is the inadequacy of resources for allocation. Many international agencies on education have emphasised that the total expenditure on education in a country should be at least 6% of GDP of the country in which the share of secondary education should be 2%.Currently, the expenditure on secondary education in India is around 1% of GDP in 2013-14.

- **Lack of Private Participation**

Lack of private participation in the financing of education particularly on secondary 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.

- **Misallocation of Resources**

As in elementary education, misallocation of resources is another problem of financing secondary education in the country. Lack of expertise, manpower and proper planning are some of the main reasons of misallocation of resources in secondary education in India.

- **Inefficiency in Utilisation**

There are many loopholes in the utilisation procedure of the fund while financing education in the country. Thus, inefficiency in terms of under-utilisation of resources while provisioning educational infrastructure is one of the major problems in financing elementary and secondary education in India. In addition, lack of accountability of fund is another problem of the financing of education. In India, there is almost no accountability in the entire education system.

(v) Influence of Political Factors

In India, the political leaders always show their influential presence while preparing any developmental plan in the country including the education sector. According to Jean Dreze and Amartya Sen, the ultimate expansion on basic education in India depends a great deal on the political factors.



8.8 LET US SUM UP

- Like elementary education, the financing of secondary education is another big challenge for India.
- There are many reasons for the adequate financing of secondary education in India. Vocationalisation and proper manpower planning are some of the reasons of financing secondary education.

- Like elementary education, there are several sub-heads of expenditure account within secondary education.
- The magnitude of the expenditure on secondary education both in India and Assam is increasing by four-fold in the last decades.
- Moreover, the percentage share of Assam in the total budgeted expenditure on secondary education is steady with an average of 2.3 percent in the last decade.
- Plan expenditure in secondary education in India is steeply increasing from 7.5 percent to 22.3% but in case of Assam it is fluctuating with a slow pace.
- Inadequacy of resources, Low private participation, misallocation of resources, under-utilisation, and political factors are some of the important problems of financing secondary education in India.



8.9 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



8.10 ANSWER TO CHECK YOUR PROGRESS

Answer to Q No.1:

Secondary education is usually regarded as the education children receive during the teenage stage of their life. Although the average of

of endry and exit in secondary level education vary considerably among various nations, in India, the secondary level presently starts in Class VIII and ends with Class XII (10+2 level).

Answer to Q No.2:

In most of the developing countries like India, the population is growing speedily and the economy of the country is also expanding through the development of industry that has created employment opportunities. The immediate demand of these countries is the high demand of skilled and semi-skilled labour to work in the newly started industries. This high demand of skilled and semi-skilled labour can be fueled only from the secondary education. To meet the manpower demand of the industries, the government needs to provide job-oriented vocational secondary education to make the students capable of working in the industries. Thus, proper vocationalisation of the secondary education based on the demand of the current economy is the responsibility of the government. Moreover, secondary education is the platform for the future of a highly educated manpower especially scientists and professionals.

Answer to Q No.3:

Expenditure on secondary education is one of the major expenditure heads of education in India. But within secondary education, there are many sub-heads of expenditure. These sub-heads of secondary education in India are:

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



8.11 MODEL QUESTIONS

A. Short Question (Answer each question 150 words)

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

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

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

Q 4. Write a note on the pattern of expenditure on secondary education in India.

B. Long Question (Answer each question 300-500 words)

Q 1. Explain the importance of financing secondary education.

Q 2. What are the different types of expenditure sub-heads under secondary education in India. Explain.

Q 3. Write a note on the magnitude and pattern of expenditure on secondary education in India and Assam.

Q 4. Write a note on the growth rate and trend of expenditure on secondary education in India and Assam.

Q 5. What are the problems of financing secondary education in India? Discuss.

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