



Monograph: July 2014

## Union Budget 2014 – Education Sector Analysis

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The Union Budget was presented by Hon'ble Shri Arun Jaitley on 10<sup>th</sup> July 2014. In general, it was lauded by economists and industry experts. However and unfortunately, the budget fell short on expectations for its approach on education sector. The education sector is in a critical stage with all-pervasive poor quality and is littered with challenges not just in school but also in Higher education.

A new strategic approach needs to be taken to overhaul the education sector in India. The current budget only talked about doing more of the same and also has been populist in nature as it attempts to please a few communities (whether based on geography, profession, specialization or religion).

The following pages have specific inputs of the budget and Eduvisors analysis in the following 4 sections:

1. School Education;
2. Higher Education;
3. Other initiatives (cutting across school and higher education);
4. Summary

### About Eduvisors:

Eduvisors is a leading sector-focused consulting firm in Education in India. A part of Barry & Stone (B&S), a global network of independent consulting firms with 12 offices in 8 countries, Eduvisors is a pioneer amongst consulting firms in India with sole focus on the Education sector.

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## School Education (1/2)

S. No.	Hon'ble Minister's Union Budget 2014 Speech	Eduvisors Analysis
1	There is a residual gap in providing minimal school infrastructure facilities. Government would strive to provide toilets and drinking water in all the girls schools in first phase.	Continued misplaced emphasis on infrastructure provided by the government. Infrastructure is important and needs to be built. The Finance Minister should have talked about putting in place a much needed PPP and ensuring private investments in education.
2	An amount of Rs 28,635 crore is being funded for Sarva Shiksha Abhiyan (SSA) and Rs 4,966 crore for Rashtriya Madhyamik Shiksha Abhiyan (RMSA).	This signals continuation of earlier policies and is merely 'more of the same' approach. Unfortunately, the budget has preferred status quo, instead of applying thought to address the key issue of poor quality of education as highlighted by a plethora of surveys including ASER and PISA.
3	A School Assessment Programme is being initiated at a cost of Rs 30 crore	This deserves one cheer as there is some attention given to quality, assuming the right assessment will pave way for school development in coming years. However, the amount allocated for School Assessment Program is grossly inadequate. Given that there are more than a million schools in India, even if we try and cover about 10%, we get a budget about Rs 3,000 per school assessment with Rs 30 crore allocated to it.

## School Education (2/2)

S. No.	Hon'ble Minister's Union Budget 2014 Speech	Eduvisors Analysis
4	Pandit Madan Mohan Malviya New Teachers Training Programme is being launched. I am setting aside an initial sum of Rs 500 crore for this.	This appears to be an initiative in the right direction. Most teachers in India need rigorous training. However, with over 55 lakhs teachers in schools in India, even an amount of Rs 500 crore looks miniscule as it translates to less than Rs 1,000 per teacher per annum. If the MMMNTT Programme leverages technology in teacher training, where possible, then it can do wonders with Rs 500 crores leading to higher quality of delivery in schools.
5	To take advantage of the reach of the IT, I propose to allocate a sum of Rs 100 crore for setting up virtual classrooms as Communication Linked Interface for Cultivating Knowledge (CLICK) and online courses.	This can potentially address the 'equity' and 'access' aspects of school education in a cost-effective manner. This is a much needed intervention.
6	Rs 13,215 crores for Mid-Day Meal scheme.	Such large amount of spending to get children to schools is continuation of old and ineffective legacy. It is certainly not a spend in education. At best, this can be considered as marketing spend (for attracting student/consumers) and has nothing to do with quality of education. In fact, it dilutes the focus on studies as in a large number of cases, school staff spend time in MDMS related activities, something in which they are not trained.

## Higher Education (1/2)

S. No.	Hon'ble Minister's Union Budget 2014 Speech	Eduvisors Analysis
1	<p>The country needs a large number of Centres of higher learning which are world class. I propose to set up Jai Prakash Narayan National Centre for Excellence in Humanities in Madhya Pradesh. I also intend to set up five more IITs in the Jammu, Chattisgarh, Goa, Andhra Pradesh and Kerala. Five IIMs would be set up in the States of Himachal Pradesh, Punjab, Bihar, Odisha and Maharashtra. I propose to set aside a sum of Rs 500 crore for this.</p>	<p>This is where the Hon'ble Minister has gone completely wrong. The country does need additional capacity but it needs better quality of education urgently. Also, with limited resources, we can hardly afford to spend money on creating buildings and laboratories (we have enough of them). Good quality higher education institutions are known to attract students and faculty not just from remote corners of home country but also from all over the world. Localisation of IIMs and IITs are politically motivated and have no merit from educational standpoint.</p> <p>Also, giving the 'entitlement' and brand of IIT and IIM to new born institutions can't be justified. Even if the government felt that there was a need to increase some capacity, a better initiative should have been to create a new brand in Higher Education rather than trying to leverage existing brands like IITs and IIMs. e.g. Create Bharat Institute of Management or Swadesh Institute of Technology and let them strive hard to be better than IIMs and IITs by their work as opposed to lending them a brand.</p>

## Higher Education (2/2)

S. No.	Hon'ble Minister's Union Budget 2014 Speech	Eduvisors Analysis
2	Government also proposes to ease and simplify norms to facilitate education loans for higher studies.	This is in the right direction. However, the government must consider such simplification not at the cost of increase in NPAs figured in education loans, which are already hovering at levels north of 5%.
3	Rs 2,200 crores for Rashtriya Uchchatar Shiksha Abhiyan.	This is again in continuation of existing centrally sponsored scheme. It can only be hoped that there is relentless focus on quality, equity and access with larger allocation available now.

## Other Initiatives (1/2)

S. No.	Hon'ble Minister's Union Budget 2014 Speech	Eduvisors Analysis
1	<p>“There is an imminent need to further bridge the divide between digital “haves” and “have-nots”. For this it is proposed to launch a pan India programme “Digital India”. ...A National Rural Internet and Technology Mission for services in villages and schools, training in IT skills and E-Kranti for government service delivery and governance scheme is also proposed. I have provided a sum of Rs 500 crore for this purpose.”</p>	<p>This is a welcome step. Even when this is not a part of formal education sector, a part of the budget must virtually be considered as education-centric. A significant part of the population is likely to gain from such an initiative. It is a well-thought initiative; it just needs to be well executed now.</p>
2	<p>“So far around 400 permissions for setting up of a Community Radio Stations have been issued. To encourage the growth in this sector, a new plan scheme is being taken up with an allocation of Rs 100 crore. This scheme would support about 600 new and existing Community Radio Stations”</p>	<p>Radio as a medium for education in India has been under utilised. Radio is a unique medium in the Indian context where the cost of delivery is relatively low and the reach is relatively high. As we know, keeping the cost of delivery of education under control is crucial, given our large population. This channel must be utilized to the fullest for the purpose of overall delivery of education in India.</p>

## Other Initiatives (2/2)

S. No.	Hon'ble Minister's Union Budget 2014 Speech	Eduvisors Analysis
3	“Film & Television Institute, Pune and Satyajit Ray Film & Television Institute, Kolkata are proposed to be accorded status of Institutes of national importance and a “National Centre for Excellence in Animation, Gaming and Special Effects will be set up.”	This needs to be considered as initiatives in education. It is heartening to learn that government has acknowledged the importance of higher education institutions in specialized areas.
4	Rs 100 crores for Madarsa modernization.	This is continuation of the Scheme for providing quality education in Madrasa (SPQEM). Sadly, with well over 100,000 Madrasas in India, an amount of Rs 100 crore translates to just Rs 100 per madrasa.
5	1,058 for Umbrella Scheme for Education of Scheduled Tribe children.	This should have been a part of Education budget. And is a welcome step, specially in ensuring equity in education.
6	Rs 200 crore provided to open Agriculture Universities in Andhra Pradesh and Rajasthan & Horticulture Universities in Telangana & Haryana.	Alas, most such money will go in land and building. Is it strange to note that with over 60 existing agricultural and horticulture universities, the government has decided to create more universities. This money should have been better utilised by upgrading the quality of education and research in the existing agricultural and horticultural universities.

# Summary

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The budget has been a big let-down for the Indian education sector. The following points are to be noted:

1. No mention of much needed structural reforms; one can infer that not much thought has gone into developing strategies for education;
2. School education strategy appears to be in status quo mode. Small initiative worth pointing out is school assessment programme;
3. In the higher education, the government has gone horribly wrong. Instead of focusing on quality improvement in education and research, the government has taken the path of infrastructure creation;
4. The only silver lining is the clear intent of using and leveraging technology in education. This must be continued and pushed ahead on an ongoing basis.

The government is obligated to make the right investment decisions in education not only for the current stakeholders but also for the future generations.

Unless Ministry of Human Resource Development (MHRD) gets obsessed with great learning outcomes and high quality research as the twin areas of focus, India will never be able to come out of the generally experienced poor environment for knowledge creation and dissemination.



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## Thank You

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