

Right Intentions, Wrong Priorities

Eduvisors Analysis of Education Sector Aspects of the Finance Minister's Budget Speech on 28th Feb 2013

Our hon'ble finance minister, Shri P Chidambaram, crossed a historic landmark by becoming the finance minister with highest number of Budget presentations in the Indian parliament. The budget presentation in 2013 is his eighth (8th).

It was sad to note that the Finance Minister mentioned Health & Education together - while Health and Education may appear to be similar in certain respects, being referred to as one 'expense category' together underscores the priority that the Finance Minister assigned to the social sector. Obviously, Education is very different from Health and both needed independent mention. Worse, "Health for all and education for all remain our priorities" sounded like a well meaning but insipid and generic opening that at best worked as a filler phrase for the section on Health and Education.

Education sector is perhaps the only sector that can change India's destiny in the coming decades. The finance minister should have provided more emphasis and allocation for the education sector, specially for school education, than what he did in the proposed budget speech. Clearly, the budget speech fell short of expectation from education sector perspective, as it deserves much more importance not just in his speech but also in resource allocation towards the sector. Specific aspects of the budget speech are covered as below:

Total allocation to Education:

The total amount allocated to Education is Rs 65,867 crores, an increase of 17% to what it was in the previous year. Standalone, it may look like monster of a number but if we consider about 25 crore Indians who shall be in the formal education system in the year 2013-14, the total education resource allocation translates to about Rs 220 per student (whether in K-12 or higher education) per month. It is clearly insufficient for the government to be able to provide quality education to large numbers of aspiring Indians.

Sarva Shiksha Abhiyan and RTE:

The total allocation for Sarva Shiksha Abhiyan and RTE is Rs 27,258 crores, a mere 6.6 percent increase over the last year's allocation of Rs 25,555 crores. Assuming the desirable case of full or near-full compliance by the private sector primary schools (that enroll 1 out of every 4 school going children in India, the government will need to allocate considerably higher amount for SSA/RTE. With such a limited budget allocation, the government can only hope that enrolments go up significantly! There are many estimates of the amount of money required for proper implementation of SSA/RTE, all higher than the Rs 27,258 crores allocated – consider this: National University of Education, Planning and Administration (NUEPA) estimates requirement of Rs 1,71,484 crores for RTE obligations by the government for a period of 5 years from 2010-11 to 2014-15 - that roughly translates to Rs 34,300 crores per annum (notwithstanding the deficit of 2011-13) and the Anil Bordia Committee reports that estimates to be approximately Rs 47,500 crores per annum.

Rashtriya Madhyamik Shiksha Abhiyan (RMSA)

I quote a part of Finance Minister's speech, which clearly communicates the reluctance to allocate resources: *"Investment in the Rashtriya Madhyamik Shiksha Abhiyan (RMSA) cannot be postponed any longer. Hence, I propose to provide Rs 3,983 crore for RMSA, which is an increase of 25.6 percent over the RE of the current year."*

Last year's allocation was 29% over the previous year. This year's allocation is 25.6% over last years. Even when the real requirement for RMSA is higher, the trends for allocation in RMSA appear healthy and we at Eduvisors hope that the government (UPA or any other) keeps the pace of growth at similar levels, as a result of which we will be fairly okay towards RMSA allocation in the next 4-5 years.

Scholarships:

The finance minister announced scholarship to various disadvantaged groups of the amount equal to Rs 5,284 crores as opposed to Rs 4,575 crores in the previous year and that's an impressive 27.3% increase. However, the more fundamental issue that we must address is that whether the Ministry of HRD should provide scholarships from its budgets specially when it is struggling to provide average quality of education – or whether it should rope in various ministries (tribal development, minorities, child and women welfare etc.) to provide specialized scholarships.

Mid-day-Meal Scheme:

The finance minister allocated Rs 13,215 crores for mid-day-meal scheme. It is a big amount of allocation, which connects food and education. Pretty much like linking the Health and Education. The assumption behind the positive impact of MDMS on education is that the mid-day meal will attract children to school (it assumes that the hunger is main driver to go to a school) and when they are in the school, they will study. Spend on MDMS is tantamount to marketing spend for a service. However, due to the desperation of attracting students to the schools (which generally provide poor quality of services), the education system has ended up spending a whole lot of money in marketing (mid-day-meal scheme) and as a result, the students may perhaps (if the MDMS is effective) visit the schools but forget that their primary purpose of going to school is to get themselves educated!

We believe that the points **ABCD** should be considered as an integral part of the planning process by the finance ministry on behalf of the ministry of human resource development:

1. **Allocation:** Allocation of resources into full implementation of RTE/SSA and gradually scale down the current spend on MDMS. Also, the government needs to come out of the zero-sum game of allotting a percentage of the GDP and encourage private sector participation - there was a mention of Mr. Azim Premji in the finance minister's speech. The government, finance ministry and the HRD ministry need to go all out to attract funds so that the allocation in education is not limited to what it is currently.
2. **Benchmarking:** Benchmarking the delivery of education to the standards set for all the stakeholders in education sector are key to better quality. The government has, year on year, spent considerable amount of money and India has repeatedly failed to get enough number of educational institutions in any respectable world ranking.
3. **Continuous innovation:** As they say, if we keep doing what we do, we will keep getting what we get – no section of our society would want status quo in education sector. Hence, the government needs continuous innovation and not more of the same (e.g. more allocation

on various heads of allocation). The entire approach of more allocation as a percentage of what was done in the previous year or in the previous five yearly plans needs to be revisited.

4. **Detailed Execution Plan:** We must have a detailed execution plan that is focused completely on quality delivery of education. We have covered a great distance in making education accessible to a vast majority of Indian population. However, quality of delivery is the biggest challenge. Unrelenting and laser sharp focus on quality of education shall be critical to our success.

In summary, the budget speech of the finance minister was minimalistic for the education sector and lacked the importance and thrust that should have been given to the sector. Having said that, the key to success of Indian education sector is in implementation, especially in the areas of RTE-SSA (coverage and social inclusion) towards raising the quality of education.