

E-ISSN: 2583-9667

Indexed Journal

Peer Reviewed Journal

<https://multiresearchjournal.theviews.in/>



Received: 16-06-2023

Accepted: 21-07-2023

INTERNATIONAL JOURNAL OF ADVANCE RESEARCH IN MULTIDISCIPLINARY

Volume 1; Issue 2; 2023; Page No. 265-269

To examine patterns in public spending on elementary education during 1990-1991 to 2010-2011

¹Subhashree Subhasmita and ²Dr. Navinta Rani

¹Research Scholar, Department of Education, Maharaja Agrasen Himalayan Garhwal University, Uttarakhand, India

²Professor, Department of Education, Maharaja Agrasen Himalayan Garhwal University, Uttarakhand, India

Corresponding Author: Subhashree Subhasmita

Abstract

Education is often seen as an essential social sector component. Since education is a source of input for creating long-term value in human capital, it is seen as an investment. Consequently, an increase in worker productivity leads to the expansion and advancement of the nation's overall economy. Financial resources play a major role in the educational sector's capacity to expand and enhance in quality. Education used to be the exclusive province of the states. But in order to guarantee that there would always be an abundance of high-quality, conveniently accessible, and equal educational options for everyone, the federal and state governments teamed up in 1976. In India, there is general consensus that there is a persistent shortage of resources for education, especially in rural areas. Education is a non-profit endeavor, but it also deserves special consideration because it is a developmental activity that impacts everyone. When making judgments, education planners ought to consider the significance of equity, efficiency, and diversity. The best approach to finance education would be to take into account both the short- and long-term benefits of learning.

Keywords: Education, judgments, high-quality, human capital

Introduction

One fundamental element of human capital is education. It captures the capacity for knowledge acquisition, communication, and involvement in communal life. On a solid educational basis, quality of economic and social well-being is consistently built. It improves the total productivity and intellectual flexibility of the labour force and is essential to boosting economic efficiency and social coherence. It aids in removing the poor from poverty by raising the value and effectiveness of labour.

When it comes to making positive changes in people's lives and in the world at large, education is without peer. Education has always been the cornerstone of every major shift in human history, whether in terms of social norms, cultural practices, religious beliefs, political systems, or economic conditions. In fact, nowadays, schooling is just as essential to survival as food, clothing, and a roof over one's head. These days, a good education is essential to survival. Therefore, the Right to Education is viewed as the Right to Life because there is no way to separate the two. Therefore, the Right to Education, which is regarded a Fundamental Right, can also be seen as the "Right of Higher Order," in that it decides whether other rights can be enjoyed or not.

Without a foundational education, people's ability to exercise their civic, political, economic, and social rights will remain theoretical at best. The importance of education in combating all forms of prejudice against women, minorities, other disadvantaged classes, and children is undisputed. It's great for kids since it helps them grow and learn. This is why the international community places a premium on ensuring the Right to Education. Moreover, it is reaffirmed in a plethora of human rights treaties, which governments have come to recognize as a crucial tool in their pursuit of development and social reform.

The Indian education system is the second largest in the world, and it may be the most complex due to the diversity of its geographical reach and the linguistic, social, cultural, and economic backgrounds of its students and educators. One of man's most essential needs is for educational opportunities. One of the most important tools for meeting other requirements. In particular, elementary school is vital because it sets the stage for the rest of a child's formal education and has far-reaching effects on that child's personal, social, and national development. At this point, a person has learned the fundamentals of literacy and numeracy. It also lays the groundwork for the development

of students' character, disposition, academic and interpersonal skills. The success of every developmental program, whether economic, social, or political, requires elementary education, so governments around the world place a premium on it. Since the adoption of the Universal Declaration of Human Rights (1948, UNO), the right to an education has been widely recognized. That "everyone has the right to education" is guaranteed by the UDHR in Article 26. Since then, many international treaties have reinforced this principle and provided legal backing for free, universal elementary schooling for all children around the world, regardless of their parents' socioeconomic status, race, religion, or gender.

Emergence of the problem

Education stands as the foremost tool for socioeconomic advancement and a cornerstone for building an equitable and just society. Over a century ago, the movement to ensure Indian children's access to free and compulsory education began. Inspired by Britain's Compulsory Education Acts of 1870, 1876, and 1880, demands arose in India for similar educational provisions in its colonies. This marked the initiation of efforts to make elementary education a universal right and a state responsibility. Following independence, national and international policies, along with the Directive Principles of the Indian Constitution, mandated free and compulsory elementary education for all children. Despite these obligations, the Indian government fell short of providing universal education, leading to subsequent legislative actions such as the 86th Amendment to the Constitution and the Right to Education (RTE) Act.

The journey of education rights in India witnessed a significant shift from directive principles to fundamental rights, underscored by the RTE Act of 2009. This study aims to shed light on this transition, analyzing the implications of the 86th Amendment and the RTE Act. By delving into the historical backdrop of compulsory education initiatives since British rule, the research seeks to understand past endeavors and evaluate the RTE Act's current provisions. Furthermore, it aims to raise awareness among education stakeholders about the legislative strides made in securing the fundamental right to education in India, tracing back to the Patel Act of 1916. Consequently, this study serves to highlight the evolution of Universal Elementary Education (UEE) and its intersection with the RTE Act of 2009, offering insights into pertinent research questions surrounding educational policy and implementation in India.

Objectives of the study

1. One of the supporting goals is to examine patterns in public spending on elementary education during a 20-year period, from 1990–1991 to 2010–2011.
2. To research how different Indian states finance elementary education.

Review of Literature

According to *The Expenditure on Education in India: A Short Note* (Chowdhury and Bose, 2004), the country's overall state spending on education varied at around 3% of GDP, which is significantly less than the benchmark of 6%

of GDP set by the Kothari Commission in 1966. It also made clear that the central government's refusal to make significant investments in education and its preference for primary school over higher education as a share of overall budget spending were the main causes of the inadequate resources. It steadfastly adhered to the Mujumdar committee's advice regarding the resources needed (1998–2007) to attain UEE in order to mobilise the additional resources needed. In order to provide enough money for education, this report recommended taxing the wealthy and privileged as well as a cess on corporation taxes, personal income taxes, and customs charges.

The secondary education systems in the states of Andhra Pradesh, Kerala, Maharashtra, and Tamil Nadu were all examined by Majumdar in 2005. The study emphasised the necessity of addressing the difficulties associated with universal primary education and the expansion of secondary schools concurrently rather than sequentially. Secondary schooling was discovered to be severely constrained, with the exception of a few educationally advanced parts of the nation, because the majority of young people from underprivileged communities lacked access to secondary education. The majority of decisions involving almost all school-related activities were found to be made at the state level. Additionally, there was a rationale for improving aided schools as a potentially efficient way to reduce the disparities between wealthy adolescents and their underprivileged upper class.

A note on policy and provisioning in contemporary India titled "Guaranteeing Elementary Education" (Jha, 2007) evaluated the programmes, policies, and financial pledges made by the Indian states to provide UEE. The study identified a few constraints that are mostly to blame for the slowdown in India's development. These include poor public education provision, insufficient funding, and problems with schools and other pertinent institutions. Furthermore, the government's policy measures over the past few years haven't produced encouraging outcomes in terms of resolving the enormous imbalances in the education sector. In today's official discourses, there is a stronger sense of urgency to solve current issues so that things can go along quickly.

Examined how the SSA programme in India funds basic education. The 50:50 financing split between the centre and the state for SSA was decided upon by the planning commission. The earlier funding ratio was 75:25, and monies were distributed consistently. Better-off states benefited from this pattern, but lagging ones did not gain much. The overall allocations from the SSA for elementary education have grown, along with the budgeted expenditure and allocation/expenditure per kid. The SSA programme was negatively impacted by the planning commission's plan to introduce the new, consistent funding pattern. States that were more prosperous economically and socially kept up the performance, whereas lagging states remained in the crowd.

Materials and Methods

Data sources

The study solely relies on secondary data for the years 1990–1991 to 2010–2011 in order to comprehend the changes in trends in spending for elementary education and their implications at the national level and across the states.

Secondary data were gathered from a variety of issues of the National Council of Education Research and Training (NCERT), the Annual Status of Education Report (ASER) published by PRATHAM, the Ministry of Human Resource and Development's (MHRD) An Analysis of Budgeted Expenditure on Education and Selected Educational Statistics (SES) reports, the Sarva Shiksha Abhiyan (SSA) reports, and the National University for Educational Planning's (NUEP) District Information System for Education (Using primary data gathered from headmasters, teachers, and resource people in the sample districts, the second section of the study-which examines the transparency and accountability concerns-looks into the issues of transparency and accountability.

Analytical tools

The Study analysed data using a variety of statistical and mathematical approaches. Average, Standard Deviation (SD), Coefficient of Variation (CV), Compound Annual Growth Rate (CAGR), Correlation, and Regression analysis are some of the statistical techniques.

Results and Discussion

The most pertinent and accepted metric to assess the weight assigned to education and elementary education in planning is the share of spending on education and spending on primary education in GDP. This action demonstrates the country's dedication to achieving Universal Elementary Education. Table displays changes in India's spending on education overall, and specifically on primary education, as well as their share of GDP. It illustrates the relative importance placed on education and primary education in the overall national effort. Between 1990–1991 and 2010–2011, improvements in the gross domestic product (GDP), spending on education generally, and spending on elementary education in particular, have been favourable throughout time. To determine the growth rate, the entire era was split into pre- and post-SSA periods. GDP and education spending both grew at similar rates of roughly 15% annually throughout the pre-SSA period. However, the cost of elementary education has seen a higher growth rate of 16.25 percent. It's a positive trend. However, the data indicates that the higher growth rate is a result of higher spending in the most recent year, or in 1999-2000. For that

year, Rs. 34068.78 crores were spent on basic education, and the GDP proportion of that spending was high at 4.19%. The following year saw a continuation of the same pattern. Spending on education accounted for 4.28 percent of GDP in 2000–01, the highest percentage for the 20 years from 1990–1991 to 2010–2011.

The amount spent on basic education climbed from Rs. 34068.78 crores in 1999-2000 to Rs. 39274.60 crores in 2000-01, although the share of education spending in GDP fell off in the later years of the post-SSA period. During the post-SSA period, the share of spending on education in general was never able to surpass 3%. Similar to this, throughout the same time span, the GDP's proportion of spending on elementary education never exceeded 1%. It was varying between 1.91 and 1.5 percent.

In comparison to the pre-SSA period, the growth rate during the post-SSA period is lower. Spending on education as a whole increased between 2000-01 and 2010-11 at a compound annual growth rate of 13.84%, while spending on primary education increased at a rate of 11.41%. Both of these growth rates are less than the GDP's 14.46% annual growth rate.

The growth rates of GDP and expenditures over the course of the 20 years were parallel, each recording increases of almost 13%. However, spending on elementary education has increased at a 12.82% annual pace.

According to the study above, increase in educational spending overall and in elementary education in particular has maintained pace with GDP growth. The three variables have all increased at the same rate. On the basis of this, it can be argued that public spending on education expanded along with growth in GDP, but the share of expenditure during the reference period did not significantly increase. In the years following the SSA, the share has somewhat decreased. A number of committees, including the Kothari committee (1966), the Sakia committee (1996), the Central Advisory Board of Education (2006), and the NPE of 1968 and 1986, advised a share of 6% of the budget be allocated to education, however this percentage is significantly lower than that.

The other recommendation, which states that 3% of all education spending should go towards basic education, has also not been implemented.

Table 1: Expenditure on education and elementary education as a share of GDP

Years	GDP	Expenditure on Education	Expenditure on Elementary Education	% of Education in GDP	% of Elementary Education in GDP
1990-91	510954	19615.85	9076.28	3.84	1.78
1991-92	589086	22393.69	10367.83	3.80	1.76
1992-93	673221	25030.30	11321.50	3.72	1.68
1993-94	781345	28279.69	13071.14	3.62	1.67
1994-95	917058	32606.22	15133.05	3.56	1.65
1995-96	1073271	38178.09	18433.93	3.56	1.72
1996-97	1243546	43896.48	21543.63	3.53	1.73
1997-98	1390148	48552.14	24083.17	3.49	1.73
1998-99	1598127	61578.91	30191.07	3.85	1.89
1999-2000	1786525	74816.09	34068.78	4.19	1.91
CAG *	15.26	15.60	16.25	0.30	0.87
CV	41.52	45.52	45.94	5.74	4.93
2000-01	1925017	82486.48	39274.60	4.28	2.04

2001-02	2097726	79865.71	40019.36	3.81	1.91
2002-03	2261415	85507.33	41747.26	3.78	1.85
2003-04	2538170	89079.25	46321.21	3.51	1.82
2004-05	2971464	96694.10	51247.87	3.25	1.72
2005-06	3390503	113228.71	52722.41	3.34	1.56
2006-07	3953276	137383.99	62063.29	3.48	1.57
2007-08	4582086	155797.27	69526.25	3.40	1.52
2008-09	5303567	189068.84	80313.91	3.56	1.51
2009-10 (RE)	6091485	242504.82	100081.8	3.98	1.64
2010-11(BE)	7157412	272137.44	112249.5	3.80	1.57
CAG **	14.46	13.84	11.41	-0.54	-2.66
CV	42.59	46.76	37.93	6.65	8.86
CAG***	13.42	13.22	12.82	-0.18	-0.53
CV overall	75.95	77.31	69.85	7.13	8.23

Source: Various reports of An Analysis of Budgeted Expenditure on Education MHRD.

CAG * - Compound Annual Growth from 1990-91 to 1999-2000 CAG ** - Compound Annual Growth from 2000-01 to 2010-11

CAG*** - Compound Annual Growth Overall from 1990-91 to 2010-11

Inter-relationship between GDP and education expenditure

The amount spent on education relies on a variety of variables, including the size of the economy, the size of the budget, the number of students, and others. Here, an effort is made to comprehend the relationship between the GDP growth and overall educational spending during a 20-year period. To determine what proportion of the change in education spending can be attributable to the change in GDP, the following regression model was tested.

Spending on education equals f (GDP).

$$(1) EDEX_t = B_0 + B_1GDP_t + U_t$$

EDEX stands for Education Expenditure. Gross Domestic Product, or GDP

Error term: U

B0 + B1 = coefficients for the intercept and slope

Table displays the regression analysis's findings. At the 1% level, the predicted regression coefficient is significant. According to the findings, each increase in GDP of Rs. 1 crore results in an annual rise in educational spending of Rs. 37 lakh. The independent variable GDP accounts for 98% of variations in educational spending, according to the R2 indicator of the model's goodness of fit.

Table 2: Regression result of education expenditure and GDP

Variables	Coefficients	Std. Error	t statistic	Sig.
Constant	-1085.025	2955.245	-.367	.718
GDP	.037	.001	39.342	.000
Dependent Variable: EDEX			R ² = 0.98	

Inter-relationship between GDP, educational expenditure and expenditure on elementary education

The following regression model was evaluated to determine the link between growth in GDP, growth in overall educational spending, and growth in spending on primary education.

Elementary school spending equals f (GDP, EDEX).

$$ELEX_t = 0 \text{ plus } 1 \text{ GDP plus } 2 \text{ EDEX}_t \text{ plus } U_t (2)$$

EDEX stands for Education Expenditure. Gross Domestic Product, or GDP

ELEX stands for Elementary Education Expenditure. U is the error term, while 0 through 2 are the intercept and slope coefficients.

According to the findings, an increase of Rs. 1 crore in overall educational spending results in an increase of Rs. 21 lakh in spending on primary education. On the other hand, a rise in GDP of Rs. 1 crore results in an increase in spending on primary education of Rs. The model provides the greatest fit for the data, and total educational spending and GDP together account for 98% of the variation in spending on primary education.

Table 3: Regression result of elementary education and on education and GDP

Variables	Coefficients	Std. Error	t statistic	Sig.
Constant	3834.341	1023.811	3.745	.00
EDEX	.218	.079	2.756	.01
GDP	.007	.003	2.426	.02
Dependent Variable: ELEX			R ² = 0.98	

Linear equation

To determine how a certain variable has changed over time, a linear trend model is utilised. GDP growth, overall education spending, and spending on elementary education are measured through time. Between 1990–1991 and 2010–2011, all three indicators displayed an upward trend. The GDP expanded at a yearly pace of Rs. 287572.86 crore over the course of the two decades. The cost of education as a whole increased by Rs. 10520.45 per year, while the cost of primary education rose by Rs. 4485.58 crores. The models are significant at the 1% level, and the R2 value shows the model's best fit.

Table 4: Linear Equation Model

Dependent Variables	Parameter Estimates		Model Summary		
	Constant	b ₁	R ²	F	Sig.
GDP	-647330.030	287572.860	.872	129.351	.000
EDU	-23405.821	10520.449	.836	97.162	.000
ELE	-7300.598	4485.58	.898	167.624	.000

Conclusion

This analyses educational spending and educational results among Indian states. Most states have boosted their spending on education significantly since the SSA was introduced. In terms of educational spending and outcomes, there was greater inter-state heterogeneity before the SSA

was implemented. The implementation of SSA decreased the regional imbalance and increased the involvement of states, socioeconomic groups, and regions with low educational attainment in the national commitment of UEE. Budgeted spending on primary education in all of India increased from Rs. 302.22 crore in 2000-05 to Rs. 1541.85 crore in 2015-20, a significant increase. In terms of the states, Daman and Diu received the lowest allocation of Rs. 2.25 crore from 2001 to 2005, but in 2005 to 2010. Uttar Pradesh invested the greatest part of Rs. 1261.26 crore. Lakshadweep reported the biggest variation (125.96%) and Nagaland the lowest variation (13.90%) between 2005 and 2010.

The introduction of SSA has a big influence on Indian education. The amount spent on education in several of India's economically and educationally underdeveloped states has increased dramatically. Many backward states, including Bihar, Assam, Rajasthan, Uttar Pradesh, and others, have greatly improved their educational performance, particularly in terms of results in the classroom.

To comprehend the variables influencing educational achievements across Indian states, a multiple regression model is used. Poverty, literacy, and enrollment are viewed as proxies for factors affecting educational results. The findings reveal that all regression models find literacy, financial use, and poverty to be significant.

References

1. Ablo E, Reinikka R. Do budgets really matter? Evidence from public spending on health and education in Uganda. Policy Research Working Paper No. 1926. Washington D.C.: World Bank; c1998.
2. Acharya P. Education: Panchayat and decentralisation: Myths and reality. *Econ Political Weekly*. 2002;37(8):788-796.
3. Afonso A, Miguel St Aubyn. Non-parametric approaches to education and health efficiency in OECD countries. *J Appl Econ*. 2005;8(2):227-246.
4. Afonso A, Schuknecht L, Tanzi V. Public sector efficiency evidence for new EU member states and emerging markets. Working Paper Series No. 581/ January 2006. Available at: http://ssrn.com/abstract_id=876945.
5. Aiglepierre DR, Laurent Wagner. Aid and universal primary education. *Econ Edu. Rev*. 2010;37:95-112. Available at: <http://www.sciencedirect.com/science/article/pii/S027277571300126X>.
6. Armstrong E. Integrity, transparency and accountability in public administration: Recent trends, regional and international developments and emerging issues. United Nations. Available at: <http://unpan1.un.org/intradoc/groups/public/documents/un/unpan020955.pdf>; 2005.
7. Arrow KJ. Excellence and equity in higher education. *Educ Econ*. 1993;1(1):5-12.
8. Arumugum P. Role of state and local bodies in financing of education in Tamil Nadu. *J Edu. Plann. Admin*. 1999;13(4):411-429.
9. Aubyn SM, Pina A, Garcia F, Pais J. Study on the efficiency and effectiveness of public spending on tertiary education. *Econ Paper*. 2009;390.
10. Babatunde MA, Rasak AA. Long run relationship between education and economic growth in Nigeria: Evidence from the Johansen's Cointegration Approach. Paper presented at the regional conference on education in West Africa: Constraints and opportunities Dakar, Senegal, November 1st - 2nd, 2005.
11. Beskaya A, Bilal S, Famil S. The impact of education on economic growth. *J Fac. Econ Adm. Sci*. 2010;15(3):43-62.
12. Besley T, Burgess R. The political economy of government responsiveness: Theory and evidence from India. *Q J Econ*. 2002;117(4):1415-1451.
13. Bhatta K. Educational deprivation in India: A survey of field. *Econ Political Weekly*. 1998;33(28):1858-1869.
14. Bowman MJ, Anderson CA. Education and economic development. London: Frank Cass; c1966.
15. Blaug M, Woodhal M. Patterns of subsidies to higher education in Europe. *Higher Educ*. 1979;7:331-361.
16. Bowen RH. *Toward Social Economy*. New York: Rinehart; 1948. Brewer JD, McEwan JP. *Economics of education*. Elsevier, Oxford, U.K.; c2010.

Creative Commons (CC) License

This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY 4.0) license. This license permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.