Chapter-V

PATTERN OF FUNDING ADULT EDUCATION PROGRAMMES AT NATIONAL AND STATE LEVEL

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5.1 INTRODUCTION

The Government of India not only formulates Adult Education policies and develops programmes but also provides substantial funds for their implementation through a well known administrative and academic infrastructure that has been developed over the years. At the same time, States are also following the footsteps of Central Government and making financial provision to adult education under Plan and Non-Plan heads of the budget.

5.2 ADMINISTRATIVE STRUCTURE

Apart from the National Literacy Mission Authority at the Centre, eighteen States have set up State Literacy Mission Authorities for planning, financing and monitoring Adult Education programmes in their respective States. Besides, the Directorate of Adult Education which is Secretariat of National Literacy Mission at Centre, there are 25 State Resources Centres, 92 Jan Shikshan Sansthans and 93 University Departments of Adult Education which provide academic and technical support to Adult Education programmes in the country and are fully funded by the Government.

Today adult education is recognised as a sub-sector of education and an important component of Education For All (EFA) Programmes and functions under a separate Department of School Education and Literacy in the Ministry of Human Resource Development. In many States, separate wings are opened for Adult Education in the Departments of Education and Training. At Central level, National Literacy Mission is the highest authority for initiating, implementing and monitoring of adult education
programmes. Similarly, at State level it is the State Literacy Mission (SLM), if established, is responsible for taking follow up action as directed by NLM. In the absence of SLM, it is the responsibility of the concerned education departments for taking follow up action at State Level as directed by the NLM. Administrative structure through which adult education programmes are being implemented in India is given in the Chart V.1.

India having centrally planned economic system, Union Planning Commission plays a vital role in the allocation of resources to adult education programmes under Plan head. Before going to analyse financial data on adult education, it is appreciated if sufficient background is given about the central planning process.

5.3 PROCESS OF PLANNING

Planning process involves to make an assessment of the material, capital and human resources of the country and to formulate a Plan for the most effect and balanced utilisation of the country's resources. The first step in the process of formulating a Five Year Plan is preparation of a paper on ‘Approach to the Plan’. While undertaking work in this connection, Steering Committees/Working Groups are also set up for reviewing the progress in the implementation of the current Five year Plan and making detailed recommendations regarding programmes, projects, schemes and policies as well as outlay and targets both financial and physical for the various sectors and sub-sectors. Once the Plan is made ready, the Government of India provides financial assistance to States and Union Territories under the Article 275 of Indian Constitution as unconditional,
Chart 5.1

ORGANISATIONAL CHART OF ADMINISTRATIVE SET UP FOR ADULT EDUCATION IN INDIA

Ministry of Human Resource Development (MHRD)

Department of Higher Education (MHRD)

Department of School Education and Literacy (MHRD)

Higher Education

Open Learning

National Literacy Mission (NLM)

Central Directorate of Adult Education

UGC

National Institute of Open School (NIOS)

State Literacy Missions (SLMs)

State Resource Centres

Universities

State Open Schools

State Directorates of Adult Education

Jana Shikshan Sansthas (JSSs)

Colleges

Zilla Saksharta Samities (District Literacy Mission)

Non-Government Organisations (NGOs)
earmarked and committed expenditure and under Article 282 as conditional grants of
discretionary nature, matching grants, grants for Centrally Sponsored Schemes etc. The
Constitution Amendment of 1976 which included Education in the Concurrent List,
though specified a sharing of responsibility between the Union Government and the
States, empowered the former to accept a larger responsibility with regard to national
programmes and priorities in education.

The main source of funds for adult education comes from the Government – both
Centre and State. Funds are categorised into two type viz., Plan funds and Non-Plan
funds. While the former is known as funds for development, the latter cover mainly non-
developmental expenditure namely, the components of salary of staff and committed
liability of ongoing programmes, etc. While non-plan funds are dealt by the Finance
Commission, Plan Funds are routed through Planning Commission.

5.4 FINANCE COMMISSION

The Finance Commission allocates Non-Plan funds to Centre and States. Finance
Commission is a Constitutional Body and its recommendations are mandatory for the
Government. However, unlike Planning Commission, it is constituted for every five
years by the Central Government to review the state of the finances of the Union and the
States. Once, the job is completed and its report is accepted by the Government, the
Commission will be wound up. In making its recommendations, the Finance Commission
shall have a regard, among other considerations, to the maintenance and upkeep of capital
assets and maintenance expenditure of Plan schemes and the norms on the basis of which
specified amounts are recommended for the maintenance of the capital assets and the manner of monitoring such expenditure. In the parlans of public expenditure, the maintenance and upkeep of capital assets is known as Non-Plan Expenditure. Sometimes, it is also known as non-developmental expenditure since it does not result into any incremental benefit or additional capacity building or creation of new capital assets. Non-Plan Expenditure is generally recurring and committed in nature. It is generally met from the revenue income of the government without resorting to borrowings.

5.5 PLANNING COMMISSION

The Planning Commission is responsible for providing inputs at the national level in the nature of policy and programme framework for the preparation of Five year Plans and Annual Plans of the Central Ministries and State Governments. The Planning Commission deals with the Plan funds of both Central and State Governments. Planning Commission is not a constitutional body, but it is an advisory body to the Government. Plan funds are utilised for creation of additional capacities and to get incremental benefit. As such, the expenditure under Plan is known as developmental expenditure. Plan funds are either borrowed or met from deficit financing technique by the government.

Series of plan discussions are held with the States, Union Territories and Central Ministries and Departments, before finalisation of the Five Year Plans and the Annual Plans. With regard to making recommendations for allocation of resources to the Central Ministries and Departments, sectoral priorities set in Five Year Plans and National Policy Documents are followed. However, in the case of making recommendations for
allocation of resources to State Sector i.e. to all States and Union Territories, specific formula is used.

5.6 GADGIL FORMULA

There was a specific formula popularly known as Gadgil Formula introduced in 1969 for distribution of Central assistance (Plan) to the States and UTs. Gadgil formula was modified in 1980 and revised in 1990 and 1991 when it came to be known as Gadgil-Mukherjee Formula which provides one per cent weightage in the allocation of resources to the elimination of illiteracy among females. Allocation of resources is made from the total central assistance. After the Planning Commission sets apart funds required for externally aided schemes, from the balance, a reasonable amount for special area programmes viz., (a) Hill Areas (b) Tribal Areas (c) Border Areas (d) North-East Council (e) Other Programmes are earmarked and from the balance, 30 per cent is given to the special category States. The balance amount is distributed among the non-special category States as per the following criteria and weightage.

Steps in Gadgil-Mukherjee Formula:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Weightage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Population (as per current Census Data)</td>
<td>60</td>
</tr>
<tr>
<td>2. Per Capita Income</td>
<td>25</td>
</tr>
<tr>
<td>(a) 'Deviation' method – covering States with per capita SDP below the national average</td>
<td>20%</td>
</tr>
<tr>
<td>(b) Distance method – covering all States</td>
<td>5%</td>
</tr>
</tbody>
</table>
3. Performance in terms of tax efforts, fiscal management and progress in respect of national objectives

4. Special Problems

Under the criterion of the progress in respect of national objectives, the approved formula covers four objectives viz., (i) population control, maternal and child health; (ii) universalisation of primary education and adult education; (iii) on-time completion of externally aided projects; and (iv) success in land reforms. Weightages have been assigned separately for each of these within the overall weightage of 7.5 per cent as under:

(a) Tax Policy 2.50%
(b) Fiscal Management 2.00%
(c) National Objectives 3.00%

(i) Population Control 1.00%
(ii) Elimination of illiteracy 1.00%
(iii) On-time completion of Externally aided projects 0.50%
(iv) Land Reforms 0.50%

5.7 NATIONAL DEVELOPMENT COUNCIL

The National Development Council (NDC) is the supreme body that finally decides the size, priorities and resources of every Five Year Plan. NDC consists of Chief Ministers of All States and Ministers of Union Government headed by the Prime Minister as Chairman of the Planning Commission. Planning Commission which functions as the Secretariat of the National Development Council (NDC) formulates broad policies and
prepares draft Five Year Plans with the assistance of various Union Ministries and State Governments.

5.8 GENERAL FRAMEWORK OF FIVE YEAR PLANS

The formulation of a Five Year Plan begins soon after the completion of the Mid-term review of the ongoing Five Year Plan and the approval of the draft approach paper of the next Five Year Plan by the National Development Council. This is followed by the constitution of several sectoral Steering Committees and Working Groups by the Planning Commission. They are consisting of Government officials, experts in the field, non-government organisations, academicians, etc. Each Steering Committee consists of minimum two or three Members of Working Groups. The main job of Steering Committee is to deliberate major issues of Agenda items and identify strategies for further discussions by the Working Groups. Working Groups of different Ministries review the performance of the previous years in terms of programmes, allocations and utilisation of funds. Keeping in view the current education policy and the priorities of the government in power and the needs of the future, the Working Group fixes priorities, reviews and approves new programmes suggested by the National Literacy Mission and works out the budgetary requirements. The Working Group of Five Year Plan generally constitutes a sub-committee to work out the details of financial requirements for the programmes during the next Plan period. Thus the Government of India has devised an excellent mechanism for consultation with NGOs, academicians and official representatives for formulation of Five Year Plans.
The Working Group on adult education consists of official representatives of the National Literacy Mission, State Governments, Planning Commission, Non-Governmental Organisations and academic institutions. The Group meets 2-3 times and is expected to rigorously review, debate and discuss the details of on-going programmes, workout financial requirements and finalise the report within 6-12 months.

After the finalisation of the Working Group Reports of different Ministries, Steering Committees of respective sectors further discuss and consolidate the recommendations of Working Groups. Then the Planning Commission brings out sectoral Steering Committee Reports which are expected to be main source for the formulation of Five Year Plan and allocation of resources.

Once Working Group and Steering Committee Reports, then the next stage of exercise is allocation of resources to the sectors through ‘Plan Discussions’. This exercise takes place at two stages. One is allocation of resources to State Plans. The second one is allocation of resources to Central Sector.

Under State Sector, Plan discussions are held between the Chief Ministers of States with the Deputy Chairman of the Planning Commission and discuss major issues including gap in the resources and the extent of resource support available from the Commission. After the fixation of the Plan size at political level, the subject division initiates the regular discussions at official level regarding intrasectoral allocations within Education. The State Sector Proposals of Education sector are discussed in a meeting chaired by the Advisor of the Education Division of the Planning Commission. The State
team is generally led by the Education Secretary and comprises of the Directors of different sub-sectors of Education. The elaborate exercise of constituting working groups, steering groups, conducting plan discussions with States and bringing out voluminous reports – all this takes more than 12 months.

The Central Sector budget allocations are finalised in a meeting between the Secretary, Planning Commission and the Secretary of Education Department along with the Additional Secretary, Financial Advisor of the Education Department, Secretary of the University Grants Commission, Adviser (Education) and other officials of Planning Commission. In this meeting scheme-wise allocations are finalised.

Once the exercise at Planning Commission level is over, then the allocations become part of regular budgets. In the case of Central Sector Programmes, they will be part of Central Budget and state level programmes and their allocations become part of State Government budget. Budget Document is the official documents for all practical purposes and it is valid for one financial year.

5.9 NATURE AND SCOPE OF PUBLIC EXPENDITURE ON EDUCATION

Public Expenditure on Education refers to the sum of the expenses of all types and/or levels of education incurred by the government at all levels and their authorised agencies during the period of one financial year. In this study, Total Public Expenditure on Education (TPEE) refers to the expenditure incurred by the Education Departments of Central and State Governments and UT Administration and also Education Component of all other Government Departments.
Education is like the most labor intensive industries. Teachers' salaries account for the largest proportion of the total public expenditure on education. TPEE is revenue oriented and highly recurring in nature because the salary component constitutes more than 90 to 95 per cent of Total Public Expenditure on Education.

Growth of Public Expenditure on Education is considered as one of the best indicators of development of education nationally and internationally. As the role of the State has been enhanced and extended from the protective to the promotional and welfare function, investment of public funds in social infrastructure like education is considered as critical for the human development.

5.10 NATURE AND SCOPE OF PUBLIC EXPENDITURE ON ADULT EDUCATION

Adult Education is now part of Education and it has all the qualities of Public Expenditure on Education. Even though there are no regular teachers in the field of Adult Education, but the expenditure largely booked for remuneration paid to the adult education instructors, cost of books, organising seminars and literacy campaigns, salaries to the administrative staff working in the Adult Education Bureaus of Education Departments of both Centre and States, etc. Unlike the expenditure on other levels of Education, expenditure on Adult Education is revenue oriented, but not recurring and committed to a large extent since the programmes of Adult Education are being implemented purely on ad-hoc basis till to-date. As such the Adult Education Programmes for many years particularly up to the Fourth Five Year Plan went on purely
on Plan funds without much involvement of Non-Plan funds. Generally, the higher the level of the Government expenditure under Non-Plan, the greater the commitment of the Government and leads to institutionalisation of the programmes. It is just opposite in the case of Plan Expenditure. Higher level of Plan expenditure indicates less commitment of the Government and indicates the adhocism of the Government Policies and Programmes.

Since Education is included in the concurrent list of the Constitution of India, both Central Government and State Government are expected to take equal responsibility for the development of Education including Adult Education. In the case of Adult Education, since beginning Union Government has taken greater initiative in launching and funding the national programmes of Adult Education, even though the States are primarily responsible for implementation of these programmes. Most of the programmes under Adult Education belonging to Centrally Sponsored Programmes. Centrally Sponsored are such programmes which are partially or fully funded by the Central Government, but implemented by the State Government or its agencies or private agencies like Non-Government Organisations.

5.11 TRANSFER OF PLAN FUNDS TO NON-PLAN

As per the guidelines of the Planning Commission, the committed expenditure of Centrally Sponsored Programmes on completion of One Plan Period of Five Years should be transferred to the Non-Plan Account of the respective State Governments. As such, over a period of time, Non-Plan Account of States under Adult Education gets growing higher as compared to the Non-Plan Account of the Central Government. Ultimately, the
States have to generate resources to meet ever growing burden of the Non-Plan resulted due to transfer of committed and recurring liability of Centrally Sponsored Programmes of Education including Adult Education. Of late, Finance Commission having acknowledged the growing burden of States in view of the implementation of large number of Centrally Sponsored Programmes specially in Social Sector like Education, recommended special assistance for States to overcome the burden of ever growing expenditure of Non-Plan Account. So far special assistance from Finance Commission is confined to Elementary Education only.

5.12 CONCLUSION

The chapter focuses on pattern of funding the adult education programmes starting from the Planning commission and the procedure followed in the planning process. Having explained, the general framework of Five Year Plans, the next chapter i.e. Chapter-VI examines the trends in allocation and utilisation of resources of Adult Education Programmes.