CHAPTER THREE

NATIONAL EDUCATION POLICY, ELEMENTARY EDUCATION AND FINANCING PATTERN

The chapter is organized into thirteen sections. Section 3.1 describes the National Policy on Education (NPE), 1986. This section has two sub-sections namely – The Policy Frame, National System of education. Important aspects of National System of education such as Education for equality, Child-Centred Approach, School Facilities and Non Formal Education are also discussed. Section 3.2 discusses about the NPE on the goal of Universalization and has two sub-sections namely Goal of Universalization of Elementary Education and Universalization in the context of elementary education. Section 3.3 dwells on the Right to Education Act 2009 (RTE). Section 3.4 describes the aspect of Financing Education in India. Section 3.5 has been devoted to analyse the aspect of Financing Education: Policy issues. It has a sub-section which presents an Overview of Education Policies related to Financing of Education in India. Section 3.6 deals with the Sources of Finance. Section 3.7 puts light on Centrally Sponsored Schemes (CSS). Section 3.8 discusses Globalization and School Education in India and this section also throws light on some Positive Effects of Globalization. Section 3.9 presents International Comparisons. Section 3.10 deals with the effects of Privatization of education. Section 3.11 describes aspects like Quality of education, Equity and Efficiency. Section 3.12 is devoted to analyse Components of Expenditure. Section 3.13 presents conclusion of the chapter.

3.1 NATIONAL POLICY ON EDUCATION (NPE), 1986

Every country develops its system of education to express and promote its unique socio-cultural identity and also to meet the challenges of the times. Education has continued to evolve, diversify and extend its reach and coverage since the dawn of human history. There are moments in history when a new direction has to be given to an age-old process. The country has reached a stage in its economic and technical development when a major effort must be made to derive maximum benefit from the assets already created and to ensure that the
fruits of change reach all sections. Education is the highway to that goal. With this aim in view, the Government of India announced in January 1985 that a new Education Policy would be formulated for the country. A comprehensive appraisal of the existing educational scene was made, followed by a country-wide debate. The views and suggestions received from different quarters were carefully studied.

Till the 42nd amendment of the Constitution in 1976, education was in the State List, except for certain specified items in the Union List like determination of standards in institutions for higher education or research, establishment and maintenance of Central Universities. The objective of incorporating education in the Concurrent List was to facilitate evolution of all-India policies in the field of education. Though the parliament was thereby empowered with the authority to legislate on education, the Centre has been relying on persuasion and consultations. The concept of concurrency was given an operational meaning by the National Policy on Education, 1986 (NPE). This policy envisages concurrency as “a meaningful partnership between the Centre and the States” and placed on the Union Government a larger responsibility in regard to the national and integrative character of education, quality and standards, manpower planning, research and advanced study, and international aspect of education, culture and human resource development. The mission of the department of education is to promote educational development in this true spirit of concurrency.

3.1.1. Policy Frame

Since 1986, educational development is being attempted within the framework laid down by the NPE. The NPE was the culmination of an intensive consultative process which included the publication of a candid critique of educational development since independence entitled ‘The Challenge of Education’, a nationwide debate of that critique and consideration of the draft policy by the Central Advisory Board of Education (CABE), the National Development Council and the Parliament. Through a similar process NPE and its programme of action (POA) were reviewed and updated in 1992. In 1990, a
committee under the Chairmanship of Acharya Ramamurthy reviewed the NPE; the report of this committee was examined by a CABE Committee on policy under the Chairmanship of Sri Janardhana Reddy, the then Chief Minister of Andhra Pradesh. The CABE Committee came to the conclusion that while very little of the policy itself required reformulation, the POA needed to be revised considerably. The revised policy was tabled in the parliament on 7th May, 1992 and its POA on 19th August, 1992.

The NPE addresses all aspects of education: equity, efficiency, relevance, quality, content and process, linkages with culture, values, society, quality and economy, resources and management. The NPE seeks to tilt the balance away from quantitative expansion of institutions towards quality and equity. At all levels of education importance is being given to curriculum renewal, improving teacher competence and other aspects of pedagogy having a bearing on quality, context and process. Consolidation and protection from degradation of higher educational institutions is postulated as an important policy objective.

The National Policy on Education gives the highest priority to Universalization of Elementary Education (UEE). There is universal recognition that basic education or the catchy phrase ‘Education for All’ (EFA) encompassing Universal Elementary Education, universal literacy and post-literacy and continuing education is a pure public good with several positive externalities in diverse areas such as productivity, demography, health, nutrition, and empowerment of women and disadvantaged groups. The strategies for achieving UEE and universal literacy proceed from the premise that a host of measures, both on the supply side and the demand side, are required to complement higher allocation of resources. The NPE postulates in the field of basic education are path-breaking in several aspects and have shaped international thinking in this area. It anticipated the declaration and framework adopted by the World Conference on Education for All 1990. The NPE recognized the organic unity of early childhood education, primary schooling, non-formal education, adult education and post-literacy and life-long continuing education. The policy conceives education as a dynamic, cumulative life-long process, encompassing a wide diversity of learning opportunities, applying to all
people, but laying stress on girls, children and youth, particularly, those belonging to disadvantaged groups. While stressing school effectiveness, it boldly sought to address the more difficult aspects of access to education of millions of children who are beyond the course of the school system. To reach out to this millions it had postulated a large and systematic programme of Non-Formal Education as an integral component of the strategy to achieve UEE. It perceived education as an agent of basic change in the status of women, of playing a positive, interventionist role in their empowerment. It also laid stress on teacher training, convergence of primary education and other related services like Integrated Child Development Scheme (ICDS) and primary health, participative processes and decentralization of education management. The year since NPE, 1986 have witnessed major interventions such as, the Operation Blackboard which was conceived for improvement of primary schools and provisions of support services, the District Institutes of Education and Training (DIETs) which provide institutional infrastructure for teacher training, the programme of Non-Formal Education which has the objective of enabling learners to learn at their own pace, the National Curricular Framework (NCF), the laying down of Minimum Levels of Learning (MLL) and so on.

The National Policy of 1968 marked a significant step in the history of Education in post-independence India. It aimed to promote national progress, a sense of common citizenship and culture, and to strengthen national integration. It laid stress on the need for a radical reconstruction of the education system, to improve its quality at all stages, and gave much greater attention to science and technology, the cultivation of moral values and a closer relation between education and the life of the people. Since the adoption of the 1968 policy, there has been considerable expansion in educational facilities all over the country at all levels. More than 90% of the country’s rural habitations are now having schooling facilities within a radius of 1km. There has been sizeable augmentation of facilities at other stages also. Perhaps the most notable development has been the acceptance of a common structure of education throughout the country and
the introduction of the 10+2+3 pattern by most states. In the school curricula, in addition to laying down common scheme of studies for boys and girls, science and mathematics were incorporated as compulsory subjects and work-experience assigned a place of importance. (NPE, 1986).

In our national perception education is essentially for all. This is fundamental to our all-round development, material and spiritual. Education has many roles. It refines sensitiveness and perceptions that contribute to national cohesion, a scientific temper and independence of mind and spirit – thus furthering the goals of socialism, secularism and democracy enshrined in our Constitution. Education develops manpower for different levels of the economy. It is also the important component on which research and development flourish.

In sum, Education is a unique investment in the present and the future. This cardinal principle is the key to the National Policy on Education.

3.1.2. National System of Education

The concept of National System of Education implies that, up to a given level, all students, irrespective of caste, creed, location or sex, have access to education of a comparable quality. To achieve this, the Government has initiated appropriately funded programmes. Effective measures are taken in the direction of the Common School System recommended in the 1968 Policy. The National System of Education envisages a common educational structure. The 10+2+3 structure has now been accepted in all parts of the country. Regarding the further break-up of the first ten years, efforts have been made to move towards an elementary system comprising 5 years of primary education and 3 years of upper primary, followed by 2 years of high school.

The National System of Education is based on a national curricular framework which contains a common core along with other components that are flexible. The common core includes the history of India’s freedom movement, the
constitutional obligations and other content essential to nurture national identity. These elements cut across subject areas and designed to promote values such as India’s common cultural heritage, egalitarianism, democracy and secularism, equality of the sexes, protection of the environment, removal of social barriers, and observance of small family norm and inculcation of the scientific temper. All educational programmes are carried on in strict conformity with secular values.

Minimum levels of learning have been laid down for each stage of education. Steps are taken to foster among students an understanding of the diverse cultural and social system of the people living in different parts of the country. Besides the promotion of the link language, some programmes were also being launched to increase substantially the translation of books from one language to another and to publish multi-lingual dictionaries and glossaries.

The nation as a whole assumes the responsibility of providing resource support for implementing programmes of educational transformation, reducing disparities, universalization of elementary education, adult literacy, scientific and technological research, etc. Life-long education is a cherished goal of the educational process. This presupposes universal literacy. Opportunities provided to the youth, housewives, agricultural and industrial workers and professionals directed to continue the education of their choice, at the pace suited to them. The future thrust is in the direction of open and distance learning (NPE, 1986).

The institutions involved in strengthening and playing important role in giving shape to the National System of Education are the University Grants Commission, and All India Agricultural Research and the Indian Medical Council. Integrated planning is instituted among all these bodies so as to establish functional linkages and reinforce programmes of research and post-graduate education. These, together with the National Council of Educational Research and Training, the National University of Educational Planning and Administration and the International Institute of Science and Technology
Education are involved in implementing the provisions of Education Policy. Some of the important aspects of Education Policy are the following:

3.1.2.(a) Education for Equality

The new Policy lays emphasis on the removal of disparities and to equalize educational opportunity by attending to the specific needs of those who have been denied equality so far. So, in this regard there are some special categories, such as:-

(i) Education for Women’s Equality,
(ii) Education for Scheduled Castes,
(iii) Education for Scheduled Tribes,
(iv) Education for other educationally backward sections and areas,
(v) Education for Minorities,
(vi) Education for Handicapped and
(vii) Adult Education.

3.1.2.(b) Child-Centred Approach

This is a warm welcoming and encouraging approach, in which all concerned share solicitude for the needs of the child to attend school and learn. A child-centred and activity based process of learning should be adopted at the primary stage. First generation learners should be allowed to set their own pace and be given supplementary remedial instruction. As the child grows, the component of cognitive learning will be increased and skills organized through practice. The policy of non-detention at the primary stage will be retained, making evaluation as disaggregated as feasible. Corporal punishment will be firmly excluded from the educational system and school timings as well as vacations adjusted to the convenience of children.
3.1.2. (c) Facilities in School

Provision of essential facilities in primary schools, including at least two reasonably large rooms that are usable in all weather, and the necessary toys, black-boards, maps, charts and other learning material. At least two teachers, one of whom a woman, should work in every school, the number increasing as early as possible to one teacher per class. A phased drive, symbolically called Operation Blackboard was undertaken with immediate effect to improve Primary Schools all over the country (NPE, 1986). Government, local bodies, voluntary agencies and individuals are fully involved.

3.1.2.(d) Non-Formal Education

A large and systematic programme of Non-Formal Education (NFE) was launched for school drop-outs, for children from habitations without schools, working children and girls who cannot attend whole-day schools. Modern technological aids are used to improve the learning environment of NFE centres. Talented and dedicated young men and women from the local community are chosen to serve as instructors, and particular attention paid to their training. Steps were taken to facilitate their entry into the formal system in deserving cases. All necessary measures were taken to ensure that the quality of non-formal education is comparable with formal education.

Effective steps were taken to provide a framework for the curriculum on the lines of the national core curriculum but based on the needs of the learners and related to the local environment. Learning material of high quality were developed and provided free of charge to all pupils. NFE programmes provide participatory learning environment and activities such as games and sports, cultural programmes, excursions, etc.
3.2 NPE ON THE GOAL OF UNIVERSALIZATION

In May 1986, Parliament adopted a new NPE on education. The NPE states the goals of universalization of elementary education and eradication of illiteracy in the following terms:

I. It shall be ensured that all children who attain the age of about 11 years by 1990 will have had five years of schooling. Likewise by 1995 all children will be provided free and compulsory education up to 14 years of age.

II. The whole nation must pledge itself to the eradication of illiteracy, particularly in the 15-35 age groups.

The above statements are especially significant for elementary education and also for adult education. It is important to note the inter-personal relationship between the twin goals of UEE and universal adult literacy. Literate parents send their children to school more readily and their childrens are less likely to dropout and also their achievement in school is higher. Progress in adult education would therefore help achieve UEE which, in turn, would reduce the size of adult literacy problem. The following two aspects related to UEE are very important:

3.2.1 Goal of Universalisation of Elementary Education

The universalization goal whether of elementary education or adult literacy has two aspects namely: (i) Universal enrolment and retention of children and their regular attendance and (ii) Universal attainment by them, at least the specified minimum levels of learning (MLL) with due stress on the inculcation of essential values.

3.2.2 Universalisation in the context of elementary education

In the case of universalization of education it is important that children attain prescribed minimum levels by a certain specified age. The UPE/UEE goal can be stated in specific term as below:

1. Universalization of Primary Education (UPE):- To ensure that every child by the time he/she attains a specified age achieves at least the
minimum levels of learning prescribed for the primary stage of education.

2. Universalization of Elementary Education (UEE):- To ensure that every child by the time he/she attains the age of 14 years or above, achieves at least the minimum levels of learning prescribed for the upper primary stage of education.

3.3 THE RIGHT TO EDUCATION ACT 2009 (RTE)

The right of children to free and compulsory elementary education act 2009 has been passed and enacted by the Parliament in the Sixtieth year of the Republic of India to provide for Free and Compulsory Elementary Education to all children of the age of six to fourteen years. The Act has been officially launched in the country on 1st April, 2010. It was announced on 8th August 2010 by the Union Minister for Finance that the Central Government shall provide Rs.2,31,000 crore under MHRD, Government of India for the implementation of the Act for a period of 3 years.

As per the Act all children of 6 to 14 years shall be provided free and compulsory elementary education and no children should remain outside the schooling system and for which the Central Govt., the State Govt. and the local authority should ensure the effective implementation of the provisions of the Act. Since the RTE Act is a constitutional provision (Art 21-A inserted in the Fundamental Rights of 86th Constitutional Amendment) for all children up to 14 years it shall be the responsibility of all stakeholders to ensure the effective implementation of the Act as enshrined in the Constitution. The RTE is a time bound programme for the whole country and therefore it is the responsibility of the State Govt. to sensitize the people of the provisions of the Act. This Act is applicable to all Govt. Schools, Govt. Aided Schools and Unaided Schools. Some of the provisions of the Act are:

i. The Act makes it mandatory for every child between the ages of 6-14 to be provided for education by the State. This means that such child does not have to pay a single penny as regards books, uniforms etc.
ii. Any time of the academic year, a child can go to a school and demand that this right be respected.

iii. Private education institutions have to reserve 25% of their seats starting from class I in 2011 to disadvantaged students.

iv. Strict criteria for the qualification of teachers should be framed. There is a requirement of a teacher student ratio of 1:30 at each of these schools that ought to be met within a given time frame.

v. The schools need to have certain minimum facilities like adequate teachers, playground and infrastructure. The government will evolve some mechanism to help marginalized schools comply with the provisions of the Act.

vi. There is a new concept of ‘neighbourhood schools’ that has been devised. This is similar to the model in the United States. This would imply that the state government and local authorities will establish primary schools within walking distance of one km of the neighbourhood. In case of children for Class VI to VIII, the school should be within a walking distance of three km. of the neighbourhood.

vii. Unaided and private schools shall ensure that children from weaker sections and disadvantaged groups shall not be segregated from the other children in the classrooms nor shall their classes be held at places and timings different from the classes held for the other children.

3.4 FINANCING EDUCATION IN INDIA

The level of financing in an economy can be judged in terms of adequacy, equity and efficiency. It should be first judged in terms of adequacy i.e. whether the finances provided for education are adequate or not. In the 1960’s, international comparisons were the fashion, and investment in education in any economy was used to be judged in terms of international comparisons particularly with reference to the share of education in GNP and the share of education in the Government budget.
In India, the Government (centre, states and local bodies put together) has come to provide a higher and higher share of the income to educational institutions. Over the period 1950-51 to 1983-84 the share of government increased from 68%, notwithstanding the fact that private managed institutions account for over 60% of the senior secondary schools, colleges and technical institutions. This anomaly is explained by the fact that except for the so called ‘self-financing’ technical institutions all other are dependent on the government for grant-in-aid which generally covers not only maintenance costs but also partly capital costs. Hence, the impact of adjustment on education expenditure is to be perceived in the trends of government expenditure on education. Immediately after introduction of NPE, 1986 there was indeed a steep step-up in public spending on education by the centre as well as the states. However, this momentum, particularly in the plan outlays, could not be sustained thereafter, though there was a continuous nominal increase in public spending even after the stabilization process was initiated (Agnihotri and Ramachandran, 2000).

Though the international comparisons still continue to be important, later adequacy of the financial resources is judged in terms of physical targets. Enrolment (ratios) targets were taken as the yardsticks. Universal primary education was begun to be considered as essential, and it was felt that resources should be provided adequately to meet this goal. Provisions of schools accessible to all population; reduction in dropouts, etc., have been viewed as important criteria in determining the level of finances for education (ANTRIEP, 2002).

Particularly, since the beginning of the 1980’s, equity considerations for quantitative expansion (e.g., provisions of schools), and improvement in quality (e.g., increasing the number of trained teachers), seem to have exerted considerable influence on public financing of education. With respect to equity, it is felt that equality in outcomes cannot be ensured, but equality in inputs, i.e., equality in opportunities, can be ensured. Accordingly, the issues that received much attention of the educational planners and researchers relate mostly to equality in educational opportunities- regional, caste, and gender groups of population- measured in terms of literacy, enrolments and number of institutions.
Even though there is relatively considerable research on efficiency considerations in education, their importance is being realized only of late when finances for education are subject to severe squeezes. Two aspects relating to efficiency are important: efficiency of investment made in education, and cost effectiveness. The former is measured in terms of labour market outcomes, essentially rates of return to education, which refer to the overall or labour market efficiency of investment in education. On the other hand cost effectiveness refers to efficiency of investment made in educational outcomes such as number of pass-outs of the system, survival and transition rates, etc. The labour market efficiency is also referred to as external efficiency, and measures on cost efficiency as internal efficiency. While cost effectiveness analysis explains how efficiently the resources are being used to produce the given output in the schools, rate of return analysis shows how efficient is the overall investment in education.

The most recent challenge to financing elementary education in India is posed by the Planning Commission’s decision to change the financing arrangements for Sarva Shiksha Abhiyan (SSA). SSA is one of the most important flagship programme of the Government of India implemented in a mission mode to realize the Universal Elementary Education (UEE) goals by 2010. Till the end of 10th Plan, Centre government put up with 75 percent of the SSA financial outlays (resources allocated to Centre from Planning Commission) while the rest 25 percent was provided by the states (as additional resources in their budgets, after maintaining the states’ 1999-2000 expenditures on elementary education in current prices). However, Planning Commission has taken the decision to implement the 50:50 sharing of SSA allocations between Centre and States from 11th Plan onwards (as envisaged in the SSA Framework for the 11th Five Year plan period). This change would mean that the state governments are required to double their share in allocations for SSA and increase the total budgets for elementary education to reflect this change (Sankar, 2007).
3.5 FINANCING EDUCATION: POLICY ISSUES

In India over the last fifty years there have been major changes in the level of financing of education and in priorities attached to different sectors within it. Education at the primary level had been rather neglected by the early planners, who focused more on higher and technical education. The Constitution of India, under the original Article 45, had directed the State to provide, “within a period of ten years from the commencement of this Constitution, for free and compulsory education for all children until they complete the age of fourteen years.” But the goal of universal elementary education (UEE) was not addressed with urgency for four long decades possibly because Article 45 was placed in Directive Principles of State Policy and, therefore, it was seen as not being justifiable. This situation changed as a result of the introduction of the Constitutional 83rd Amendment Bill in the Parliament (1997) and eventually the passing of ‘The Constitution (Eighty-Sixth Amendment) Act, 2002’ – more than fifty years after India’s independence (De and Endow,2008).

The relative neglect of elementary education has resulted in low literacy rates among adults in India and in majority of the poor children remaining out-of-school, being deprived of even elementary education. There has been rapid improvement in school participation in recent years but a national household survey commissioned by Government of India in 2005 (Sri, 2005) still reports 7.8 million out-of-school children in primary school going age. The Indian middle and upper middle classes, on the other hand, benefited from subsidized higher education and have succeeded in creating a pool of highly knowledgeable and skilled workers. Since the 1990s, however, due to the twin factors of awareness of these issues at the domestic level as well as pressure stemming from Structural Adjustment Policies (SAP) the Indian policymakers have sought to correct the balance and there has been a concerted effort towards taking elementary education to all children, even those living in remote regions. Although several committees and commissions were appointed from time to time to deal with various issues, the education policy was shaped primarily by the Kothari Commission and the National Education Policy. After the UPA (United
Progressive Alliance) government came into power in 2004, the Central Advisory Board of Education (CABE) Committee was appointed to investigate the universalization of secondary education. While these committees had much to say about structure of the education system and priorities within it, their recommendations regarding the level of education finance were somewhat similar. In 1966, the Kothari Commission had recommended that the public expenditure on education should reach the level of 6 per cent of GNP by 1986. Subsequently, in 1996, the Saikia Committee examined the financial, among other, implications of the proposal to make free and compulsory education a fundamental right. It reiterated the need for an expenditure of 6 per cent of GNP on education with 50 per cent of it earmarked for primary education (an additional finance of Rs.40000 crores in next five years). In 1999, an Expert Group headed by Tapas Majumdar, made estimates for additional fund requirements for UEE – it was in the range of 137000 crores over the following 10 years (GOI, 1999). National Common Minimum Programme and CABE committee also had similar recommendations. However, policy statements and implementation do not always go together. Actual expenditures in the education sector have fallen far short of these targets. These recommendations repeatedly emphasize the need for higher investment in education and the importance of different levels of government in its financing. An overview of education policies related to education finance as it evolved since India attained independence is presented in subsequent sections.

3.5.1 Overview of Education Policies related to Financing of Education in India

The important recommendations of different committees are:

(a) Kher Committee 1948-49

A fixed percentage of Central (10 per cent) and Provincial (20 per cent) revenues should be earmarked for education and that around 70 per cent of the total expenditure on education should come from the local bodies and provinces.
(b) Kothari Commission 1964-66

(i) Public expenditure on education should reach the level of 6 per cent of GNP by 1986

(ii) Vocationalization of secondary education

(iii) Strengthening of centres of advanced study and setting up of small number of major universities of international standard.

(c) National Education Policy 1968

(i) Investment on education to be gradually increased to reach a level of 6 percent of national income as early as possible.

(ii) Focus on science & technology and agriculture

(iii) Provision of good and effective education at primary level (on a free and compulsory basis)

(iv) Equality in education for rich and poor: common 10+2+3 education structure throughout India and eventually free schooling till class 10.

(d) Secondary Education Commission 1972

(i) To assume certain direct responsibility for reorganization of secondary education and give financial aid for the purpose.

(ii) Encourage private contribution through tax exemptions (income tax, property tax and custom duties)

(iii) Industrial education cess should be levied for furtherance of Technical and vocational education at secondary stage.

(e) 42nd Constitutional amendment 1976

Education transferred from state list to concurrent list (School education under jurisdiction of both, the Centre and the State).

(f) National Education Policy 1986 (with revisions in 1992)

(i) Resource support for implementing programmes of educational transformation, reducing disparities, universalization of elementary education, adult literacy, scientific and technological research, etc. will be
provided. For this actual requirements will be computed at regular intervals and outlay on education will be stepped up so that more than six per cent of national income is allocated from eighth plan onwards.

(ii) While the role and responsibility of the States in regard to education will remain essentially unchanged, the Union Government would accept a larger responsibility to reinforce the national and integrative character of education, to maintain quality and standards (including those of the teaching profession at all levels) and to study and monitor the educational requirements of the country.

(iii) Additional resources to be raised by mobilizing donations, asking beneficiary communities to maintain school buildings, raise fees at higher levels of education and effecting savings through efficient use of resources.

(g) 73rd and 74th constitutional amendment 1992

Statutory recognition of local governments, and inclusion of school education in the list of its responsibilities. Local bodies needs to play an important role in financing and implementing education programmes.

(h) Saikia Committee 1996

Need for an expenditure of 6 per cent of GNP on education with 50 per cent of it earmarked for primary education. It recommended additional expenditure of Rs. 40000/ crores over next five years on elementary education.

(i) Tapas Majumdar Committee 1999

Estimated additional fund requirements for UEE – it was in the range of 137000 crores over the following 10 years.

(j) 86th Constitutional Amendment 2002

Recommended for free and compulsory education of children between age 6 to 14 years, and provision of early childhood care and education for children below six years.
(k) National Common Minimum Programme of the UPA Government 2004

(i) Raise public spending in education to at least 6 per cent of the GDP with at least half this amount being spent on primary and secondary sectors. This will be done in a phased manner.

(ii) A Cess of two per cent on all central taxes to finance the commitment to universalize access to quality basic education.

(iii) A national cooked nutritious mid-day-meal scheme, funded mainly by the Central Government, will be introduced in primary and secondary school.

(iv) The Integrated Child Development Services (ICDS) scheme will be universalized to provide a functional Anganwadi in every settlement and ensure full coverage for all children.

(v) All northeastern States will be given special assistance to upgrade and expand infrastructure.

(l) CABE Committee 2006

(i) The additional financial requirement for universalising secondary education as per cent of GDP works out to be around 0.18 per cent in 2003-04 and to 0.86 per cent 2019-20.

(ii) With 6 per cent of GDP earmarked for education, the shares of elementary, secondary and higher secondary (as % of GDP) will be 3, 2 and 1 respectively (De and Endow, 2008).

3.6 SOURCES OF FINANCE

There are several important sources of education finance – the public sector which includes expenditure by the central government, the state governments and the local bodies, foreign aid which is transferred primarily through central government budgets and the private sector financed largely by individual households and, to a smaller extent, non-profit and for – profit private sector. The focus is essentially on public expenditure on education by the centre and the states. Initially education was the responsibility of individual states, but
in 1976 it was placed in the Concurrent List (denoting joint responsibility of both central and state governments).

Though elementary education is a subject in the concurrent list of the constitution, traditionally, the onus of financing and delivering elementary education services had been mainly on the state governments till the mid-1990s. The States’ allocations for elementary education depended on (i) the economic growth of the states and its fiscal capacity, (ii) the status of education development in the states and equity with which provision of services were spread across regions within the states; and (iii) the degree of priority assigned to the elementary education sectors by the political leaders (Sankar, 2007). The disparities in financing elementary education also led to disparities in educational outcomes.

It is evident that the expenditure patterns of both the central government as well as the state governments have to be examined to get an idea of the total expenditure. Following two constitutional amendments in 1993, more power has been invested with rural and urban local bodies making elementary education a responsibility of these bodies. These local bodies are largely funded by the respective state governments but they also spend resources raised at their level. However the resources and expenditures of local bodies vary from state to state. External aid is an important source of education financing. In relation to the total magnitude of education finance this had been insignificant before the introduction of economic reforms in the 1990s. Its role had changed since then (De and Endow, 2008). Earlier the focus was on technical and vocational education, external resources are now increasingly directed at elementary education.

3.7 CENTRALLY SPONSORED SCHEMES (CSS)

A large proportion of transfers from the Centre are allotted to the States for implementing Centrally Sponsored Schemes (CSS). These schemes are formulated by the Centre which also funds a major part of their implementing costs. States, which are the implementing agencies, fund the remaining portion. As a mode of transfer of resources direct central assistance is advantageous to the
states from autonomy point of view. But the states have shown preference for CSS as it is given as grants and not loans which reduce their fiscal burden. Some prominent CSS in elementary education were designed after the introduction of New Economic Policy. In the nineties the major schemes in operation were Operation Blackboard (OB), Non-formal Education (NFE) and Teacher Education (TE), Midday Meal (MDM), Scheme for Free education for girls and District Primary Education Programme (DPEP). A few smaller schemes – Educational Technology (ET), Environmental Orientation of School education and Integrated Education of Disabled Children (IEDC) were in place for both elementary and secondary education. The earlier schemes were targeted towards improving schooling infrastructure. The later schemes were incentive based (De and Endow, 2008). So, Centrally Sponsored Schemes are a channel through which the central government has been adding resources to the state education sector. However, their coverage has varied over time and there has been no uniformity in its distribution over different states.

3.8 GLOBALIZATION AND SCHOOL EDUCATION

The term ‘globalization’ means integration of economies and societies through cross country flows of information, ideas, technologies, goods, services, capital, finance and people. Cross border integration have several dimensions – cultural, social, political and economic (Rangarajan, 2006).

Globalization is a process, which has affected many areas of human life, one of those being education. In the twentieth century, many developing countries have experienced growth in the educational facilities available to them due to the entry of institutions from the west. Some believe that this process is an invaluable opportunity for the people of the developing countries to raise their skills and standards of education. Others fear that it is merely a modern version of cultural imperialism that will lead to the creation of a universal, ultimately western society (Chinnammai, 2005). Through Globalization of education, which is being knowledge transfer from the western countries into developing countries, is intended to improve the skills and capabilities of the people receiving it.
Education is undergoing constant changes under the effects of globalisation. The effects of Globalisation on education bring rapid developments in technology and communications are foreseeing changes within school systems across the world as ideas, values and knowledge, changing the roles of students and teachers, and producing a shift in society from industrialisation towards an information-based society. It reflects the effect on culture and brings about a new form of cultural imperialism. The rise of a global society, driven by technology and communication developments are shaping children, the future citizens of the world into ‘global citizens’, intelligent people with a broad range of skills and knowledge to apply to a competitive, information based society.

The introduction of technology into the classroom is changing the nature of delivering education to students and gradually giving way to a new form of electronic literacy. More programs and education materials are made available in electronic form, teachers are preparing materials in electronic form; and students are generating papers, assignments and projects in electronic form. Video projection screens, books with storage device servers and CD ROMs as well as the emergence of on-line digital libraries are now replacing blackboards. Even exams and grades are gradually becoming available through electronic means and notebooks are starting to give way to laptops. Also, students can be examined through computer managed learning systems and do tutorial exercises on a computer rather than in a classroom. Such developments in education portray that there has been a shift from industrialization to information-based societies. Subsequently, technology is foreseeing a change in the education environment towards a reliance on electronic sources to deliver material (Chinnammai, 2005). With such changes and the emergence of video conferencing and the Internet, the barriers of distance are being broken down at a rapid rate, due to the key aspect of globalization. Children and adults can now learn in a variety of ways and no longer have to be physically present in an education institution in order to learn, a definite advantage of flexible delivery systems. It allows for exploration of new areas of learning and thinking. The rapid growth of television services, with their immense influence as media of mass communication, has been very relevant in the technological shift. Other large contributions to this shift include the
transistor and space satellites. Communication and information based technology over the years is the internet, which is a massive network of computers located throughout the world.

These computers maintain libraries of text, images, computer software, and other forms of data that can be accessed by anyone, anywhere, at any time. This implementation of technology and communication to be successful and to educate a society, both the students and teachers need to be technologically literate. Communication technology is offering new challenges for students of all abilities as they can discuss different issues with their fellow students from around the world. Developments in the delivery of education is allowing for individuals to explore new areas of learning and thinking that could not be done with pen and paper. They are discovering knowledge through inquiry and experimentation rather than memorizing facts in a teacher dominated classroom setting. In fact, students no longer need to be physically present to learn as education material is becoming readily available over the internet, through video conferencing, and tape recordings. Institutions are now turning towards the use of the internet to deliver courses to students (Chinnammai, 2005). A shift in education is becoming evident where more responsibility is being placed on the individual for his or her learning, instead of solely on the teacher. Subsequently, the teachers themselves also need to be highly technologically literate, needing the competence and confidence to prepare students for a global information society.

A global education should teach about issues that cross national boundaries, and interconnected systems on ecological, cultural, economical, political and technological grounds such as the globalization program which draws upon expertise in many areas such as humanities, social science and environmental science. Despite differences in economy, political, culture and society, underdeveloped countries have adopted educational ideals from western thought and are anxious to appear modern and therefore promote education as a symbol of modernity and development. The spread of education internationally, as a result of globalization, has clearly had effects on cultures worldwide. The capitalist society is gradually becoming global with a strong emphasis on free
trade. Educational institutions have reacted accordingly, by becoming more market oriented, focusing their efforts more on creating funds rather than providing sufficient education for students. Due to this increasing free trade around the globe education is increasingly being drawn into this global capitalist competition (Chinnammai, 2005). The internationalization of education has become one of the key themes of educational policy and planning in the 1990s and the integration of worldwide capital and labour markets; educators are being forced to respond to a new set of challenges.

The internationalization of higher education can be linked to various internal and external changes in the international system. Externally, there have been changes in the labour market, which have resulted in more knowledge and skilled workers, and workers with deeper understandings of languages, cultures and business methods from all over the world. The role of education has become more linked to globally competitive positions. Education is becoming an internationally traded commodity in the present day of globalization. No longer is it seen primarily as a set of skills, attitude and values required for citizenship and effective participation in modern society – a key contribution to the common good of any society or the externalities. Rather, it is increasingly seen as a commodity to be purchased by a consumer in order to build a ‘set of skills’ to be used in the market place or a product to be bought and sold by the MNC’s. (Agrawal, 2005).

One of the most powerful positive effects of globalization on women and men both is the spread of education. Today, we can move in the search of the best educational facilities in the world, without any hindrance. A person living in US can even go to another continent for a new experience and some courses which one may not find in the home country. If one is interested, he/she can even get a specialization in subjects indigenous to a country and spread that knowledge to the home country. People are moving from one country to another. The trade restrictions are reducing, domestic markets are opening up for foreign investments, telecommunications are better established and the countries that are leading the innovations are passing on their know-how to the countries that are not. In short, the people are no longer bounded by territorial restrictions any
more, getting the world closer. Globalization is not just the coming together and integration of people. It is the integration of ideas, of cultures and of values.

3.8.1. Positive Effects of Globalization

Some of the positive effects of globalization are:

(a) Spread of Education - One of the most powerful positive effects of globalization on both women and men is the spread of education. Today, we can move in the search of the best educational facilities in the world, without any hindrance.

(b) Spread of Culture – The positive effects of globalization on culture are many. The world that we live in today is a result of several cultures combining together. People of one culture, if receptive, tend to see the flaws in their culture and pick up the culture which is more correct or in tune with the times. Societies have become larger as they have welcomed people of other civilizations and backgrounds and created a whole new culture of their own.

(c) Increased Competition - One of the most visible positive effects of globalization is the improved quality of products due to global competition. Customer service and the 'customer is the king' approaches to production have led to improved quality of products and services. As the domestic companies have to fight out foreign competition, they are compelled to raise their standards and customer satisfaction levels in order to survive in the market. Besides, when a global brand enters a new country, it comes in riding on some goodwill, which it has to live up to. This creates competition in the market and a 'survival of the fittest' situation.

(d) Employment - With globalization, companies have forayed into the developing countries and hence generated employment for them. It has given an opportunity to invest in the emerging markets and tap up the talent which is available there. In developing countries, there is often a lack of capital which hinders the growth of domestic companies and hence, employment. In such cases, due to global nature of the businesses, people of developing countries too can obtain gainful employment opportunities. But the developed countries have lost
jobs on account of this movement of jobs to the developing world and hence it is a pinch felt by people in the First World.

(e) Foreign Trade - Trade originated in the times of early kingdoms and it has been institutionalized due to globalization. Previously, people had to resort to unfair means and destruction of kingdoms and countries to get what they wanted. Today, it is done in a more humane way, with mutual cooperation. People, who operate in uncivilized ways, now have to face the WTO and other world organizations that have been established with a view to control and regulate the trade activities of the countries.

(f) Investment and Capital Flows - One of the most visible positive effects of globalization in India are the flow of foreign capital. A lot of companies have directly invested in India by starting production units. Indian companies which have been performing well, both in India and off the shores, have attracted a lot of foreign investment, and thus pushed up the reserve of foreign exchange available in India. This is also one of the positive effects of globalization in US and other developed countries as developing countries give them a good investment proposition.

(g) Spread of Technical Know-How - While it is generally assumed that all the innovations happen in the Western world, the know-how also comes into developing countries due to globalization. Without globalization, the knowledge of new inventions, medicines would remain cooped up in the countries that came up with them and no one else would benefit. But due to improved political ties, there is a flow of information both ways (Kulkarni, 2011).

(h) Organizations for Environmental and Social Concerns - In cognizance of the damage that has been caused to our world over the years, the individual nations have decided to come together to find a way to save our world from ourselves. Organizations monitoring climate change as well as those which look at the welfare of our animals and marine life, are undoubtedly one of the positive effects of globalization on the environment.
3.9 INTERNATIONAL COMPARISONS

The most standard and popular indicator used to measure the finances for education is the percentage of GNP devoted to education. According to the Human Development Report 2001, India ranked 104th with respect to share of public expenditure on education in GNP, among the 143 countries on which such data are available. India was devoting 3.2% of her GNP to education (1995-97). In comparison, a large number of countries spend more than 6%, some more than 8% and a few more than 10% on education. Some of the countries, which spend more than 4% of GNP on education, are even economically poorer than India. A long time ago, India had set a target of 6% of GNP to be spent on education.

The second most important standardized indicator in this context is proportion of Government budget devoted to education. This is also preferred to the earlier one, as Government has more direct control on Government budgets than on GNP. Again, India fares a very poorly comparison with not only advanced countries, but also even some of the poor countries of the globe. Out of the total Government (Central and State) expenditure, India was spending 11.6% on education (1995-97), compared to more than 15% in many advanced countries. The corresponding figure was above 20% in several rich and poor, and small and big countries, such as Singapore, Poland, Costa Rica, Estonia, UAE, Lithuania, Mexico, Macedonia, Venezuela, Thailand, Saudi Arabia, Kyrgyzstan, Uzbekistan, Namibia, Morocco, Botswana, Togo, Yemen, Cote d’’Ivoire, Senegal, Gambia, Guinea and Rwanda. (ANTRIEP, 2002)

In terms of both the indicators, India was performing better during the 1980’s. But after the economic reform policies were introduced in the beginning of the 1990’s, public finances for education were subject to severe squeezes. The relative priorities were also affected, and the shift has been away from education sector. Generally, it is suggested by the UNDP and other International Organizations that about 20% of the Government budget and 5 to 6% of GNP should be allocated to education in the developing countries.
3.10 EFFECTS OF PRIVATIZATION OF EDUCATION

Privatization of education takes two forms: financial privatization, i.e., raising private resources such as fees (fashionably known as cost recovery) in public education, and secondly, direct privatization, i.e., opening private self financing schools, and transfer of public and state aided private schools to private bodies. Though both these phenomena are clearly visible in case of higher education, they are not, nevertheless, confined to higher education. These issues are being raised in policy debates on school education, including elementary education. Privatization is viewed as the most important instrument to solve problems of finances, which is altogether untenable assumption, given the experience of India and even of other countries. But recent initiatives in privatization are inconsonance with the new economic reform policies, which do not recognize the ‘public good’, the ‘merit good’ and the human right nature of education, not to speak of national Constitutional provisions.

In the current global climate, market has been put forward as the hallmark of efficient and effective provision of goods and services that benefit all. This ideology has formed the basis for policies in India. However, it is being debated whether the market can ensure the best outcome for social or common goods such as education. Advocates for privatization claim that such a system ensures the accountability and efficiency of educational institutions, improves the quality of courses and makes such institutions more accessible. Privatization can play a useful role in plugging gaps in dwindling public sector budgets and reducing budgetary pressures (Tilak, 2002). There are several other policy measures being initiated in several states in India may indeed deepen the financial crisis in India.

3.11 QUALITY OF EDUCATION, EQUITY AND EFFICIENCY

Generally, children who are fortunate is being born to educated parents or having caring, competent teachers do very well, and are able to find jobs demanding high productivity. However, the average is appallingly low. The results are low productivity, poor skills and massive unemployment even after several years of schooling, or even college education. Various studies have shown that children coming from a deprived background do not have a
supportive learning environment and feel alienated in schools. The government school teachers, even motivated ones, find it difficult to address their special needs (Aruna, 1998). Therefore, it is increasingly being realized that only by improving the quality of education the positive effects of growing enrolments can be sustained.

The gender, caste and regional inequalities in literacy, enrolment ratios and attainment of educational levels are glaring. As per the NSS report for 1995-96 shows, even in the younger age group of 6 to 10, only 58% of the girls in rural areas were attending schools, compared to 84% among boys in urban areas. Almost all the school-going children are expected to receive free textbooks and stationeries from Government in elementary education. Only 35% of the children in primary schools receive text-books and 5% stationeries, and even noon meals were provided only to 27% of the students in primary schools. Further, essentially due to financial reasons, cheaper methods of schooling (e.g. EGS-Education Guarantee Scheme, Schools in rural and remote areas, under/unqualified and under/untrained Para teachers, etc.) are introduced, which would further increase inequalities in the system.

High rates of drop-out and repetition and low rates of achievement of Minimum Level of Learning (MLL) by children speak about the low levels of internal efficiency in school education. With inadequate funding to provide qualified teachers and unattractive learning environment in schools, internal efficiency cannot be better. The high private and social rates of return to education - primary to higher – indicate that the education system in India is severely under-funded, even from the narrow point of view of economic efficiency. (ANTRIEP, 2002)

3.12 COMPONENTS OF EXPENDITURE

While the aggregate expenditure reflects the priority accorded to education, in the Indian context it is important to distinguish between Plan and Non-plan expenditure. Plan expenditure is that part of total budget expenditure, which is meant for financing the schemes and programmes especially framed under the current Five-year plan or the unfinished tasks of the previous Plans. So, the Plan expenditure indicates the direction of changes in the education sector. Non-plan expenditure is the expenditure on operating and maintaining existing
education infrastructure. Hence, at the end of a five year plan, the recurring parts of Plan expenditure on different programmes or schemes become part of Non-plan expenditure. So, Non-plan expenditure is expected to increase steadily over the years. The scope for decreasing this expenditure is very limited, as it involves maintaining the stock of education infrastructure which has been determined by the policies in the past years and while savings through introduction of efficiency measures are possible that would be a one-time savings. Another distinction to note is between expenditure on Revenue account, and expenditure on Capital account. Expenditure on Revenue accounts constitutes the bulk of the budget expenditure on education in India and very little is spent on the Capital account. But this does not imply that there is little or no asset creation in education. One of the main reasons for low expenditure on Capital accounts is that the entire grants-in-aid, including grants for capital works is booked under revenue account and not under capital account. Secondly expenditure on construction activity is often shown under the budget heads of other departments (De and Endow, 2008). The government also saves some of the construction expenditure as often village panchayats donate land for construction of school buildings and villagers provide voluntary labour and locally available construction material, and also many states have private aided schools/colleges where initial land and buildings are provided by private individuals/organizations and only the recurring costs are covered by government aid.

3.13 CONCLUSIONS

The National Policy on Education gives the highest priority to Universalization of Elementary Education (UEE). There is universal recognition that basic education or the catchy phrase ‘Education for All’ (EFA) encompassing Universal Elementary Education, universal literacy and post-literacy and continuing education is a pure public good with several positive externalities in diverse areas such as productivity, demography, health, nutrition, and empowerment of women and disadvantaged groups. The strategies for achieving UEE and universal literacy proceed from the premise that a host of measures, both on the supply side and the demand side, are required to complement higher allocation of resources.
The NPE addresses all aspects of education: equity, efficiency, relevance, quality, content and process, linkages with culture, values, society, quality and economy, resources and management. The NPE seeks to tilt the balance away from quantitative expansion of institutions towards quality and equity. At all levels of education importance is being given to curriculum renewal, improving teacher competence and other aspects of pedagogy having a bearing on quality, context and process. Consolidation and protection from degradation of higher educational institutions is postulated as an important policy objective.

Before 1976, education was the exclusive responsibility of the States. The Constitutional Amendment of 1976, which included education in the Concurrent List, was a far-reaching step. The substantive, financial and administrative implication required a new sharing of responsibility between the Union Government and the States. While the role and responsibility of the States in education remained largely unchanged, the Union Government accepted a larger responsibility of reinforcing the national and integrated character of education, maintaining quality and standards including those of the teaching profession at all levels, and the study and monitoring of the educational requirements of the country.

The Central Government continues to play a leading role in the evolution and monitoring of educational policies and programmes, the most notable of which are the National Policy on Education (NPE), 1986 and the Programme of Action (POA), 1986 as updated in 1992. The modified policy envisages a National System of education to bring about uniformity in education, making adult education programmes a mass movement, providing universal access, retention and quality in elementary education, special emphasis on education of girls, establishment of pacesetting schools like Navodaya Vidyalayas in each district, vocationalisation of secondary education, synthesis of knowledge and inter-disciplinary research in higher education, starting more Open Universities in the States, strengthening of the All India Council of Technical Education, encouraging sports, physical education, Yoga and adoption of an effective evaluation method, etc. Besides, a decentralized management structure had also been suggested to ensure popular participation in education. The POA lays down a detailed strategy for the implementation of the various policy parameters by the implementing agencies.
The New Education Policy gives highest priority to solve the problem of children dropping out of school and adopts an array of meticulously formulated strategies based on micro-planning and applied at the grass-root level all over the country, to ensure children’s retention at school. This effort is fully coordinated with the network of non-formal education. It is ensured that all children who attain the age of 11 years by 1990 will have had five years of schooling, or its equivalent through the non-formal stream. Likewise, by 1995 all children will be provided free and compulsory education upto 14 years of age.

The National System of Education as envisaged in the NPE is based on a national curricular framework, which envisages a common core along with other flexible and region-specific components. While the policy stresses widening of opportunities for the people, it calls for consolidation of the existing system of higher and technical education. It also emphasizes the need for a much higher level of investment in education of at least six per cent of the national income.

Globalization is the integration of ideas, of cultures and of values. Education is becoming an internationally traded commodity in the present day of globalization. No longer is it seen primarily as a set of skills, attitude and values required for citizenship and effective participation in modern society – a key contribution to the common good of any society or the externalities. A shift in education is becoming evident where more responsibility is being placed on the individual for his or her learning, instead of solely on the teacher. Subsequently, the teachers themselves also need to be highly technologically literate, needing the competence and confidence to prepare students for a global information society. Students no longer need to be physically present to learn as education material is becoming readily available over the Internet, through video conferencing, and tape recordings. Institutions are now turning towards the use of the Internet to deliver courses to students. So, the introduction of technology into the classroom is changing the nature of delivering education to students is gradually giving way to a new form of electronic literacy.
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