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Financial Relationship in
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ABSTRACT

Role of federal finance in education for all - Towards a meaningful central state financial partnership in Indian Education

In the context of NPE 1986 resolution of a meaningful partnership between the Centre and the States, this paper examines the role of federal finance when there is an earnest effort to give education for all. The paper has first examined the inter-state disparities in educational financing and its development. Then it has gone on to examine the role of federal centre and the case for central financing of education at least at the compulsory level. Having noticed the predominantly non-plan component in educational expenditure, different kinds of federal grants are examined. The paper concludes with the need for a nationally acceptable minimum standard of per student expenditure, and it pleads for the observance of fiscal capacity equalisation and fiscal performance equalisation and in accordance with the above objectives, greater role of central assistance to the states.

**ROLE OF FEDERAL FINANCE IN EDUCATION FOR ALL - TOWARDS
A MEANINGFUL CENTRAL STATE FINANCIAL PARTNERSHIP
IN INDIAN EDUCATION**

Education for all indicates that, education for all sections of the population in India should be available at an early date. This includes education for rural-urban areas, men-women, scheduled castes, and scheduled tribes, minorities and handicapped. In education for all, is included effective universalisation of elementary education, which includes retention and generation of learning outcomes and non-formal, and adult education. The magnitude of the tasks in all the above areas of activities and the dimensions of the required resources are by now adequately documented and therefore no attempt is made to estimate them here. On the other hand, it is well known that the required resources are nowhere in sight. In fact even the 6 per cent of national income to be reached by the beginning of the Eight Five Year Plan according to NPE 1986 is difficult to reach if the past trend continues.¹ At any rate, they are very much beyond the capacity of Indian states which are at present mainly financing Indian education. Therefore, it becomes necessary to consider the role of federal finance in this new context of the imperatives of achieving education for all. In fact, the National Policy on Education 1986 itself has referred to a new and meaningful partnership in financing education between the Centre and the State.²

The objective of the present paper is to examine the situation regarding educational financing in India and the States. First, we examine the inter-state disparity in educational development and its financing at the state level mainly with special reference to the role that the Government of India has to play in financing Indian education through Finance Commission of India for non-plan expenditure, Planning Commission for plan expenditure in the States, and through discretionary transfers which are increasingly becoming important. It will be necessary for us at the outset to take into account the objectives of Indian Education Policy as embodied most recently in the National Education Policy adopted by the Indian Parliament in 1986, the trend in educational development and its financing in India and the States, and the educational disparities among the states. It is also necessary to look at the special characteristics of Indian Education Finance which consists of flows of finance from the Centre to the States, States to the Local Bodies or to individual institutions. Central Assistance as a proportion of State Plan Outlay has gone down for all the states from 61.8% to 31.0%. For Group A and

Group B States also, it has gone down from 58.5% to 18% and 64.7% to 32.8% respectively while for special category states it has gone up from 78.1% to 89.6%. All the tables bring out the fact that there is a good deal of dependence by the states on the centre. As a background to the entire discussion, we have given in Table No.2,3,4, Central assistance to States from plan to plan, as a proportion of total state plan outlay, (2) transfers of Finance Commission of India from Centre to States under article 275 of the Constitution of India in crores of rupees. (3) the difference between the forecast of educational expenditure as given by the states to Finance Commission and the forecast made by the Seventh Finance Commission of India respectively. The Eighth Finance Commission of India has assumed an annual non-plan expenditure growth of 7 per cent for education and in addition it has also separately recommended under article 275 grants for reducing the number of single teacher schools and schools without pucca buildings.

Table No. 5 and 6 also give per capita budgeted expenditure on education in each state of India. It indicates the inter-state differences in educational financing and development, however, there are wide variations in the different districts and within districts by blocks in every state of India.³ It is such inter-Block and inter-District and Inter-State and even inter-institutional differences in at least per student primary expenditures which have got to be noted particularly by the Centre in evolving a meaningful federal financial policy for Indian education. In this context, the Operation Black-Board is a sound measure which has been well conceived and one hopes that it will be implemented properly by providing adequate finance.⁴ Table No. 7 brings out the position of different states in India on the basis of facilities provided for primary levels of education as revealed by various official publications. Indeed facilities provided for habitations with Scheduled Castes and Scheduled Tribes population are much less, strictly speaking there has also to be yet another indicator of educational development in every part of India on the basis of the retention capacity in every school at primary and middle level. Table No. 8 gives this information. The level of education attained by Adult Population in every block and progress of girls' education as well as SC/ST are other indicators which can be profitably used for the purpose of monitoring the progress of education and the effectiveness of educational expenditures. The last mentioned data should be particularly used in planning of education at the state level.

Objectives of Indian Education Policy

In considering the role of Central Government within a federal financing education, it is best to consider the objectives of Indian framework of education as enshrined in the latest National Policy Resolution, 1986. In fact we refer only to those objectives which have very large financial implications. We also refer to those aspects of the Policy because of the need for clearing the accumulated back log. The national policy has rightly noted that there has come about a good deal of back log in financing different sectors of Indian education due to the policy of drift and inadequate planning. Firstly, there is emphasis on early childhood care and education. Secondly, in elementary education universal retention of children upto 14 years and substantial improvement in quality of education is laid down. Thirdly, large programmes of non-formal education for girls, drop outs and left overs in small habitations is to be undertaken. Fourthly, eradication of illiteracy particularly for the age group 15-35 is a time bound programme. Fifthly, in secondary education pace setting institutions and vocationalisation for 10 per cent of the population to begin with, is laid down. Sixthly, in higher education restructuring of courses of study and making them relevant to the needs of the development is envisaged. Lastly, all along the line, improvement in quality and reduction of inequalities are to get high priority. Costing quantitative expansion is relatively easy, but, in regard to qualitative programmes it is not that easy because the optimum relationship between the cost and quality at any level of education is difficult to visualise in the absence of adequately tested micro studies or pilot experiments. It is in this context, that there is urgent need for streamlining the processes and procedures for collecting financial and cost data and using them at all stages of planning, monitoring and evaluation. In fact, it has to be built into the system through a budgetary device which can be performance and programme oriented like Zero Based Budgeting, which is likely to be adopted in the near future in education sector also. It is, therefore, not surprising that there are only approximate cost estimations for all the programmes envisaged by the different task forces for National Policy on Education of more than 20 thousand crores rupees.

The Sixth Plan had tried to achieve the Universalisation of Elementary Education in two stages i.e. 95 per cent of age group 6-11, and 50 per cent in the age group 11-14 by 1985 and universal enrolment in the age group 6-14, by 1990. This was expected to be achieved through formal system of education if possible and through non-formal

education if necessary. The position in respect of enrolment in elementary education varied from one state of India to the other in the Sixth Plan, though progress would have to be maintained in all the educationally backward states. As again 13 States and Union Territories which have yet to universalise the primary education for boys in 1979-80, their number would be reduced to just 4 states by 1984-85, these being Haryana, with 93.4 per cent, Karnataka 86.2 per cent, Rajasthan with 94.3 per cent and Uttar Pradesh with 97 per cent. The above were the expectations. In the case of girls' education, there is a wide variation in coverage from about 30 per cent in Rajasthan to virtually complete coverage in States like Kerala, Meghalaya, Nagaland, Punjab and Tamil Nadu in 1979-80. The gap would be reduced and the lowest expected coverage is about 43 per cent in Rajasthan in 1984-85. With a view to making up this deficiency, the States lagging behind would need to strengthen the non-formal classes for elementary education. Of course, in this context, the Centre's scheme for assisting non-formal education for girls is worthwhile mentioning.

In regard to enrolment in classes 6 to 8, the target for formal education of 50 per cent in relation to population of 11 to 14 will be achieved in 23 States and Union Territories, those lagging behind will be Andhra Pradesh, Bihar, Madhya Pradesh, Orissa, Rajasthan, Tripura, Uttar Pradesh and Arunachal Pradesh. These states have back log to be cleared in respect of primary education for which concerted efforts were to be made during the Sixth Plan. Universalisation of middle schools' education in the States as also in others would be a major task to be taken up during 1985-90. Special efforts were to be made to reach backward and remote areas and the more socially and economically disadvantaged, especially girls and children belonging to Scheduled Castes and Scheduled Tribes who are the major non-school going children. At present, out of every hundred enrolled in class one, only 36 complete class five. The proportion of drop out has remained almost unchanged since the beginning of planning in India. Therefore, efficiency of the system will have to be improved to retain students. Appropriate incentive programmes had to be designed to ensure regular presence of the students. On this basis, the Sixth Five Year Plan of India 1980-85 had proposed an outlay of Rs. 905 crores and Seventh Plan raised it to 2109 crores as MNP component. The progress in elementary education will not be possible on account of the poverty of the household and the environment in which they happen to live. Therefore, the minimum needs programme has aimed at improving elementary education, rural health, rural water supply, rural roads, rural electrification, housing assistance to rural

landless labourers, environmental improvement of urban slums and nutrition.

Problems of educational financing in India will have to be looked at from the point of view of a federation where Central Government makes available funds for the States and the States finance educational development by the local bodies and by themselves. In a federation what role should the different layers of Government play and what shall be the objectives of educational finance are matters which could be discussed on the basis of theory of federal finance. Such theoretical consideration will also provide guidelines for the criteria on the basis of which transfer of resources from the Centre to the States can take place. Therefore, we shall discuss within a theoretical framework the problems of Indian education finance.

The Public Good Perspectives of Provision and Financing of Indian Education :

One can look at the problem of financing Indian education in a federal country like India from the point of view of public finance theory. (We are aware that the Indian Constitution has not made use of the word federation even though there is federal fiscal arrangement). For this purpose, one can take note of the mainstream tradition of normative economic theorising regarding the financing of school level education in a federal system of Government like India as a part of a wider tradition in Welfare Economics and Public Finance theory which stresses individualistic values. The welfare of the society is regarded as the sum of the welfare of all persons in a society.

In this approach, welfare is maximised when resources are allocated efficiently. There is a role for Government when private market fail to allocate resources efficiently and in accordance with the preference of individual consumers. Education is a quasi-public good and, therefore, there is bound to be market failures. In fact, it may be the job of the Government not only to meet the demand but also to create the demand as in the case of elementary education in India. In this situation, the question of market does not arise. Therefore, issues relating to resource allocation in school education are regarded as problems in supplying efficiently a quasi public good like education.

India consists of different states and the consumer preferences of the people in different parts of India for education are

heterogenous and so, the most efficient allocation of resources for education is likely to come from decentralised collective choice rather than centralised choice. But, consumption of education is sure to generate positive inter-jurisdictional spill overs or externalities. In order to secure an efficient allocation of resources, open ended matching grants may be made by the national government at the centre to the lower levels of government which provides quasi public good to consumers.

It may be noted that in the tradition of the above line of thinking, the roles assigned to central, state or local governments are clearly defined. In relation to the objective of an efficient allocation of resources, the role of the Central Government is quite limited. It should itself provide only pure public goods, in the case of quasi public goods like school level education its role should be limited to providing open ended matching grants to the lower levels of government sufficient to enable the internalisation of national spill-overs by significant inter-jurisdictional spill overs. The lower levels of Government should be in the business of providing quasi public goods.

In India, the major responsibility for resource allocation decision in education has rested with the states rather than with the centre. To this extent, the attainment of resource allocation to education has been easier and it is likely to be efficient also. But, is there the possibility of the resource allocation being of less than optimum efficiency particularly to certain sectors of education like primary education? It is in this context, that there is need for thinking of grants from the Centre to the States for education. One can say that at the hands of the State, there has been a tendency not to allocate adequately for primary education and literacy due to pressures from other sectors or local pressures and even when resources are allocated, there is a tendency to direct it to other sectors. Therefore centre has not only to make available additional resources for primary education to the states but also to ensure that it is used for primary education. In such a financing arrangement the centres none too easy, financial situation also must be kept in mind.

Why in a federation the Centre should provide grants to the States on States to local bodies in education? What is the normative and conceptual basis for this? It is a concern about acceptable country wide standard of resource use, that is, concern arising from a belief that education of an acceptable quality, namely, eight years of elementary education upto 14 years of age for all children in the age

group 6 to 14 is an integral part of the quality of life or a person a person's welfare function or a means of securing more quality in life time opportunities in society. For analytical and policy purposes of Central Government financing, it is necessary to distinguish between redistributive policies, that is equality of objectives, and policies designed to achieve an efficient allocation of resources. The theoretical foundation for the approach which is advocated in this kind of redistribution in the public sector like education is provided by the concept of merit goods developed by Musgrave, individual societal preference developed by Thurow, and particularly commodity utility inter-dependence. Merit goods are those economic goods so meritorious that satisfaction is provided for through public budget, over and above, what is provided through the market and paid for by private buyers. Free education of upto 14 years in India is one example and education for deprived classes like Scheduled Castes, Scheduled Tribes and women is another example. There is further the question of rural-urban differences.

Role of different kinds of Grants in Financing Education

We can, with advantage, distinguish between stimulative and fiscal effects of the system of grants because it explains important differences in the philosophy of grants. When the Central Government is interested in stimulating the state preference function, it has to specify standards and tests of performance, minimum levels of achievement and matching requirements also may be laid down. In this context, the Central Government is interested in programming and achieving the objectives. In fact, grants for elementary education that we are suggesting in this paper, belong to this category.

The Central Government may also have a fiscal objective in giving grants in so far as it may be interested only in maintaining a budgetary equilibrium in the deficient state. The present gap filling approach of Finance Commission is not at all adequate for the purpose.

The financial arrangements for education in the federal set up of India are such that the distribution of functions and financial powers facilitate the advantage of efficiency and equity realised. Thus, when the States have the main responsibilities for education, there will be scope under the State budgets for more closely adjusting the supply of public goods to the scale of preferences to the people. While States will be able to adjust the supply of public goods to the needs of the States - Central transfers must reinforce the State capacity. At the same time the Centre, along with the States, should

enable the national objectives like primary education and equalisation of certain minimum public services to be realised in all States. It is the provision of a minimum satisfaction of merit wants which promotes both distributive and allocative objectives in a federation like India.

There are certain special characteristics of educational finance which need to be taken note of by the Finance Commission in thinking of transferring resources for meeting educational expenditure of the States. A look at the trends in Indian education expenditure by the Government of the Centre and the States shows that between 1951-52 non-plan expenditure as a percentage of total was 81 per cent while in 1977-78 it has grown to 89 per cent. Thus, the growth of non-plan expenditure in education is an aspect which specially entitles problems of educational finance to be considered and taken adequate note of by any Finance Commission of India while it considers the criteria for transfer of resources from the Centre to the States.

So far, the Finance Commissions of India have looked at the problems of transfers of resources from the Centre to the States under article 275 for the purpose of meeting the non-plan gaps of the States. In arriving at the magnitude of the non-plan gaps of the States, the Finance Commission has taken into account the needs of the States and ability of the States. It is our contention that the way in which the needs have to be taken into account by the Finance Commission is fiscal needs. So also, while considering the ability of the States, it has to be considered in the wider framework of the overall objective of planning for economic development in which the country is engaged and in which every state has got an interest as well as wider national educational policy objectives like effective universalisation of elementary education and illiteracy removal. The criteria determining Government contributions to the financing of education should be chosen with a view to promoting the general aims of educational policy, financial regulations alone are hardly sufficient to ensure development of the educational system in line with government Policy, and it is probable that other instruments of control will also have to be applied. It appears, however, that appropriate forms of financial aid may contribute substantially to the proper implementation of established plans and policy directions in the field of education.

Existing forms of financial aid are often the expression of a state, accountancy-minded way of looking at educational policy. Only full acceptance of education as a dynamic, constantly changing part

of government policy can provide a basis for the development of a flexible and constructive control system, which should form an integral part of the process of planning for educational expansion.

Under these circumstances, it is doubtful whether the Finance Commissions can afford to separately look at the plan and non-plan components of the expenditure and totally leave plan expenditure to the Planning Commission and confine its attention on non-plan expenditure alone. Further, all non-plan expenditure is not non-developmental. For example, educational expenditure is mainly consisting of non-plan expenditure and certainly it cannot be regarded as non-developmental. The Finance Commission's approach that developmental requirements will be taken care of by the Planning Commission will not be completely sustainable. Therefore, it becomes necessary for us to search for alternative criteria on the basis of which transfers of resources from the Centre to the States for educational purposes can take place. (Opening new schools for enrolling additional children and maintain status quo in enrolment is non-plan).

Finance Commissions Treatment of Non-Plan Expenditure of the States and Educational Finances

Different Finance Commissions of India have adopted different approaches to educational finance requirements of the States of India. In fact, the first Finance Commission of India thought that it should recommend specific grants for the removal of backwardness in primary education in certain states of India. Other Finance commissions subsequently treated education as part of the social services and recommended special grants for the removal of the backwardness of administrative and social services, like education, in some States of India. Another Finance Commission of India thought that education being a developmental department should not be coming under the purview of the recommendations of the different finance commissions for non-plan expenditure in education.⁵ Basically, one can approach the problem of Finance Commission's view to educational finance from two angles i.e. one from the angle of their approach to non-plan expenditure and secondly to the requirements of the development departments of the states.

The terms of reference of certain Finance Commissions like the Eighth Finance Commission of India have precluded them from considering the requirements of the developmental department like education of the states in India (At the same time, at least one

Finance Commission did not find it restrictive to consider the requirements of education for the states interpreting the terms - social services in a broad manner). Along side with this view, is the approach of regarding of non-plan expenditure in the same fashion and regarding them all as non-developmental. In fact, there is a tendency to confuse certain aspects of non-plan expenditures on the part of some people and regard them as something to be discouraged. For example, 'non-plan expenditure of the state is made up of expenditure on administrative services, natural calamities and payments of interests, charges of public debt'.⁶ It is significant that the above quotation does not have a reference to the expenditure on education which is essentially of a non-plan nature. In fact, in the last few years; educational expenditures have been growing and non-plan expenditure of education constitute a major share of the total expenditures.

It is argued that the non-plan expenditure on education are not to be treated on par with other non-developmental items of expenditures. The Finance Commissions of India have been handling the non-plan expenditure in the budgets of the States in a manner which reduce it to non-developmental and then treat it as if 'it contained only financial quantity unrelated to the welfare dispensed to the masses of the State Government'.⁷ At the present moment, in the Indian States, one has to notice several aspects relating to the finances of the States and the transfers that have been taking place from the Centre to the States. These considerations are relevant in establishing that any Finance Commission of India will have to take into account specially the requirements of educational finance and more particularly the requirements of finance for states which have not been able to reach the target of universal elementary education for all children upto 14 years of age effectively. We shall mention the following :

1. There has been considerable growth in non-plan expenditure in the budgets of the State Governments and it is bound to be increasing as development of Indian economy gets accelerated. It is, therefore, necessary now to look at the components of non-plan State Government expenditures and discriminate, at least some items in it like expenditure on elementary education and within it certain items of expenditure like for school buildings, educational administration and non-formal and adult education. For them, special considerations in the entire financial system at the local, state and Central Government may be required.

2. The finance of the State Governments have been deteriorating. This is indicated by the increasing amount of transfer of resources from the Centre to the States. The position regarding transfers between 1969-74, 1974-79 and 1978-83 is indicated in table No 3.

3. When we consider the gap between the State Government expenditure and their own resources one finds that it has been widening.

4. There has been a large increase in the non-plan transfer of resources from the Centre to the States through the States' share in Central taxes, duties, statutory grants under article 275 and grant in lieu of taxes of railway passengers, etc. A look at the per capita transfers to different States on account of the recommendations of the Finance Commissions of India shows the average for all the states has been Rs. 373, Bihar and West Bengal have received lesser than average of India. The Central assistance to plan outlay also has been going down, it has gone down from 61.8 per cent to 31.6 per cent in the Sixth Plan.

5. While the dependence of the States on the Centre for finance has increased, one notices that between 1951 and 1978 Finance Commissions transfer averaged less than 2/5th of all transfers from the Centre to the States. But, following the recommendation of the Sixth and Seventh Finance Commissions of India the share of non-statutory grants has declined and now trend is for the Finance Commission of India to take into account the special requirements of educational expenditure in the non-plan sector of the State Government budgets.

6. All non-plan expenditures in the State Government budgets in India cannot be regarded as non-developmental due to the following additional reason. There are now increasing evidences to show that expenditures on elementary education, health, nutrition, etc. are also contributing to the growth of productivity in the Indian economy. Therefore, it will not be advisable for the Finance Commission of India to rigidly adhere to the distinction between Plan and Non-Plan expenditure in the state government budget and regard non-plan as non-developmental. In fact, the time has come for the Finance Commissions of India to take an integrated view of the requirements of finances for the overall development in every states in cooperation with the Planning Commission of India. Also a resolution adopted in 1967 by the State Education Ministers stated "educational development creates permanent recurring liabilities to the state governments and they are finding it increasingly difficult to meet them. Education is the costliest and most significant of social services to the nation and

the Centre must accept responsibility to share its growing cost. This Conference therefore, recommends that the existing centre state relationships in the financing of education should be reviewed in its entirety and a new relationship which can meet on a long term basis the challenges of the massive programme of educational reconstruction needed by the country should be devised".⁸ (Proceedings of 10th Conference of State Education Ministers, 1968, p.54).

An Alternative Approach to Federal Financing

We shall conclude by suggesting an alternative approach to financing of education by the Centre which should be based on fiscal equalisation - a principle that is equally applicable for the financing of education by the Centre to the State or States to local bodies or institutions of different kinds. This principle of fiscal equalisation has two dimensions, which are fiscal capacity equalisation and fiscal performance equalisation. This principle is being applied by State Governments like West Bengal or Tamil Nadu or Maharashtra when they extend financial assistance to education to different local bodies. In fact, in Tamil Nadu there has been a variant of this principle for a considerable period of time and recently they have given it up for certain extraneous reasons.

It is also necessary to take into account in addition to vertical fiscal imbalances, i.e. between Centre and States, horizontal fiscal imbalances, that is among the states themselves. Such a principle is essential to take note of the fiscal as well as education dimensions of education finances. It implies that there should be methods of increased equalisation which focussed directly on performance and those which focussed on capacity.

Among others there are two major problems in federal financing of education in India which should be noted :

1. The existence of spill over benefits which may reduce expenditure below the optimum levels. Obviously, expenditure on primary education - removal of illiteracy and within primary education expenditure on school buildings and non-teacher items like expenditure belong to this category, and so also girls education, expenditure in rural areas as well as on SC and STs. Clearly these are sectors which are eminently suited for the Centre to play a dominant role. In this context, it is worthwhile referring to the Operation Black Board which is a timely measure. It is immaterial as to whether the finances for such essential minimum items of expenditure are made available through

finance commissions or planning commission of India. Central assistance should be available and it should be certain and regular.

2. Differences in tax base and dissimilar treatment of persons in similar circumstances - the States in India differ in regard to taxes collected from the community and they also have different percentages of people below poverty line. Under these circumstances the Central Government financing of education which is now predominantly for higher education will have to take note of these aspects and correspondingly extend, enough financial assistance to other programmes of educational development.

3. Variations in the levels of services like elementary education provided are characterised by wide differences in cost of providing elementary education. Table No. 9 a,b,c,d,e,f and 10 & 11, show that States in India differ in regard to the drop out rates and per student expenditure on primary schools by districts such variations have to be taken into account by the Centre while extending financial assistance for education. In fact, going below the state level one notices a great deal of variations in per student expenditure and any new and meaningful partnership in educational finances between the centre and the states will have to take note of such inter-district and inter-block variations in per student education expenditure in primary schools. It is only this way, the national education policy objectives can be achieved.

The Finance Commission of India cannot afford to adopt a gap filling approach in recommending grants to the states which differ in regard to the percentage of girls, SC, ST and weaker sections of the population, density of population, size of habitations, literacy etc. They have both natural advantages and handicaps in regard to educational development. The needs of a state for educational expenditure should be taken into account not in relation to its capacity to raise resources but in relation to what ought to be there as expenditure on illiteracy removal and giving effective primary education for all by a certain target date. In this way, the states should be enabled to match the functions and duties assigned to them at least in regard to objective of National Policy on Education.

It may be concluded that what is needed for ensuring a nationally acceptable minimum amount of facilities as embodied in a minimum amount of per student expenditure is a proper disaggregation of the state level plan into its different components as part of plan implementation.

How to operationalise the principle of fiscal equalisation in education when the Central Government is extending financing assistance to the States through the awards of the Finance Commission? It is difficult to operationalise the principle of fiscal equalisation which has got two dimensions i.e. (i) fiscal performance equalisation and (ii) fiscal capacity equalisation. The fiscal performance equalisation refers to the possibility of every state government and local bodies incurring a minimum amount of per student expenditure atleast for removing illiteracy and primary education. In fact, the performance can relate to norms regarding schools and size of the class and teachers student ratio or teachers administrators or single teacher school or school without pucca buildings. In fact, the first Finance Commission of India recommended special grants for some educationally backward states to enable them to raise their expenditure on primary education and the third Finance Commission recommended special grants for some backward states to enable them to improve their road communication. The second, fourth, fifth and sixth Finance Commission made certain adjustment favourable to the states to the expenditure forecast of the states in order to enable them to raise their expenditure on certain special services like primary education. Of course, the 6th Finance Commission made recommendations to enable the states to get rid of that percentage of single teacher school which is in excess of national average and reduce them to the All India averages and so also schools without pucca building. It is difficult to take into account education sector alone for the standardisation and equalisation and therefore, certain experts in India have tried to recommend equalisation and revenue expenditure on general administration, police, justice, medical care, public health and rural communication. However, we plead that removal of illiteracy and giving a minimum level of education of 5 years and eventually 8 years as national responsibilities which are also likely to enhance the productivity in all the sectors of the economy and security. Hence, they deserve a special treatment in extending central assistance to the states. Should the assistance take the form of conditional grants is a question to which we react in the affirmative. Even though conditional grants call for a certain amount of supervision by the centre and hence unpopular with the Finance Commission of India and the states, we would plead for it in view of the urgency of the task of effective universalisation of elementary education. In fact, in the case of tribal sub-plan, a separate minor head of account has been opened and it is being watched by the centre. In Elementary Education also, there is a case for having a separate head of account to be operated by the centre and progress being

watched by the centre. The setting up of district level institutions like DIET and District Boards of Education will be helpful for this purpose. In this manner, there need not be any conflict between the role of finances of the Planning Commission and Finance Commission of India. There is further the difficulty of even the national average of per capita expenditure being very low and only some states may have less than the national average. In order to get over the difficulty the average for 2-3 richest states in the country of per capita expenditure are taken as the norm below which no state government or a district in a state will be compelled to spend.

The last question that remains for consideration is to what extent it is appropriate for a federal central government to get involved in supplying any level of education. All over the country both in developed and developing countries the supply of higher education is to a very large extent under the control of the federal government on account of the well known mobility of manpower with higher level of education and spill over effects of such movement. In regard to removal of illiteracy and provision of compulsory education, when there are differences in the education base of the different states in a country like India, when there are much variations in the level of compulsory education given in different parts of the country and most importantly when giving compulsory education is a constitutional national responsibility, it is only appropriate that there should be increasing flow of central assistance based on the principle of fiscal equalisation.

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8. Proceedings of 10th Conference of Central Advisory Board.

Note

In considering the regional disparities as the basis for central grants to the states in one form or the other, there is need to decide what is a region - a state or a district or block, how to measure the disparities and in terms of what - boys and girls, rural urban, SC,ST, and non-SC,ST or availability of schooling facilities within the habitation or 1.5 kilometers walking distance - all these are issues on which no firm evidence is available to guide policy, but the only point on which there can be no dispute is the need for statistics to cover the above aspects and their regular use in planning and allocation of resources. The present statistics is macro and global. The removal of regional disparities at least in literacy and retention in primary schools should be an essential part of any educational financial policy. In fact in some way or the other, the educational situation in every state must be taken note of by Finance Commission of India and Planning Commission which recommends grants and makes annual plan allocations. Removal of such regional disparities in literacy of population and retention in primary schools should be regarded as the responsibility of the centre e.g. there can be an untied grant based on 3 positive variables Viz. a) proportion of population in a state b) proportion of students in classes 1 to 8, c) proportion of backward class people. Negative variables are d) share of net domestic product, e) proportion of unemployed graduates. The positive variables represent the needs of every state for fulfilling the constitutional obligation of compulsory elementary education and special effort for removing backwardness among some people. Negative variable represent capacity or ability of a state to finance education and safeguard against unlimited expansion of university education.

Carnoy has introduced 6 different ways of analysing educational adequacy viz., a) adequacy purely as an educational goal, b) adequacy as improved internal efficiency, c) adequacy as internal efficiency - equity, d) adequacy as external efficiency - social functioning, e) adequacy for job market, f) adequacy as external efficiency - equity. While the above paragraphs help in having conceptual clarity, there has also to be methods of calculating financial requirement of adequacy under all the above assumptions. The operational part of it is equally important from the policy point of view. Obviously adequacy will have to vary from one district to the other or from one block to the other depending upon the already existing situation. The National Policy Resolution has envisaged through what has been called Operation Black Board primary schools all over the country will be improved by the provision of essential facilities for all schools.

Also minimum level of learning will be laid down for each stage of education.

In countries like USA, for a long time now, there has been foundation programme which stipulates that there will be a certain foundation amount which will enable every child to have a minimum expenditure and thereby learning. In the foundation programme approach, adequacy is the politically (minimum amount of resource that will ensure equality of opportunity). The idea of educational adequacy that is currently being discussed is a challenge to the idea that adequacy should be determined with reference to resource inputs. Educational adequacy draws attention to educational outcomes. The educational policy has in a sense used both the ideas.

States in India vary regarding average annual cost per student. If the average for the country is low, we can use the per student cost for the richest state or the average for the three rich states as the minimum to be aimed at and on this basis the central assistance to the states can be extended.

CP14/6.2/150987.

Table 1

Projections of National Income and Govt. Expenditure on Education

Year	National Income Crores	UEE Crores	(3) as % of (2)
(1)	(2)	(3)	
1980-81	92967	3546	3.8
1981-82	97562	3953	4.05
1982-83	102157	4360	4.3
1983-84	106752	4767	4.5
1984-85	111347	5174	4.6
1985-86	117471	5581	7.4
1986-87	123595	5988	4.8
1987-88	129719	6395	4.9
1988-89	135843	6802	5.0
1989-90	141967	7209	5.1
1990-91	148091	7616	5.1

Table 2

Central Assistance as proportion of Total States' Plan Outlays

(Percentages)

States	1st Plan	2nd Plan	3rd Plan	Annual Plans	4th Plan	5th Plan	6th Plan *
Special Category States							
Assam	78.6	48.4	75.5	96.7	87.4	78.4	74.2
Himachal Pradesh	-	-	-	-	86.8	78.6	78.1
Jammu & Kashmir	76.9	72.6	100.00	78.1	85.5	134.2	112.1
Manipur	-	-	-	-	83.9	77.5	100.2
Meghalaya	-	-	-	-	84.1	76.5	83.4
Nagaland	-	-	100.00	100.00	86.9	90.9	99.8
Sikkim	-	-	-	-	-	117.1	98.0
Tripura	-	-	-	-	86.1	86.1	83.3
Total	78.1	55.6	82.2	97.5	86.3	95.0	89.6
Group A							
Punjab	86.5	58.3	52.9	42.5	22.8	21.2	15.3
Haryana	-	-	-	54.9	22.6	26.3	13.1
Maharashtra	38.4	34.7	38.5	28.6	23.8	17.6	14.2
Gujarat	32.3	33.8	46.9	36.8	28.2	22.0	16.3
Karnataka	50.0	48.7	62.4	56.6	44.7	30.9	23.8
West Bengal	73.4	46.8	51.6	69.8	58.5	37.9	19.4
Kerala	54.6	48.0	67.1	62.0	51.0	46.3	27.8
Tamil Nadu	49.4	51.2	54.6	45.5	35.6	43.5	21.1
Total Group A	58.5	45.2	51.6	45.8	33.2	28.2	18.0
Group B							
Andhra Pradesh	57.0	53.2	64.0	68.6	54.6	41.0	29.2
Rajasthan	90.9	59.5	76.6	87.5	68.9	44.6	30.9
Orissa	90.6	73.5	61.0	65.8	62.3	58.1	44.0
Madhya Pradesh	64.9	66.4	76.1	85.1	53.3	34.4	26.7
Uttar Pradesh	52.4	52.8	63.6	57.5	43.9	43.7	33.0
Bihar	53.9	47.4	65.1	71.4	68.3	56.1	39.6
Total Group B	64.7	56.7	66.9	69.0	54.6	44.6	32.8
Total (All States)	61.8	50.8	60.4	58.6	46.1	40.2	31.6

Source : Planning Commission

* Sixth Plan Allocation

Table 3

**Transfers from Centre to the States by way of Shares of Taxes and Duties
and Grants-in-Aid under Article 275 of the Constitution**

States	Transfers during 1969-74 on the basis of the re- commendations of the Fifth Finance Commission				Transfer during 1974-79 on the basis of the re- commendations of the Fifth Finance Commission				Transfer during 1973-83 on the basis of the re- commendations of the Fifth Finance Commission			
	Taxes and Duties	Article 275 grant	Total	% of the total	Taxes and Duties	Article 275 grant	Total	% of the total	Taxes and Duties	Article 275 grant	Total	% of the total
Andhra Pradesh	347.78	65.01	412.79	7.77	570.08	205.93	776.01	8.08	1522.49	-	1522.49	7.31
Assam	109.91	84.18	194.09	3.65	185.09	254.53	439.62	4.57	518.65	-	518.65	2.49
Bihar	508.73	-	508.73	9.57	733.44	106.28	844.72	3.79	2212.87	-	2212.87	10.62
Gujarat	230.82	-	230.82	4.34	368.64	-	368.64	3.83	963.87	-	963.87	4.62
Haryana	75.27	-	75.27	1.42	120.66	-	120.66	1.26	308.57	-	308.57	1.42
Himachal Pradesh	22.54	27.68	50.22	0.94	43.10	160.96	204.06	2.12	118.00	207.07	325.07	1.56
Jammu & Kashmir	41.66	73.68	115.34	2.17	58.79	173.49	232.28	2.42	177.33	199.56	376.89	1.81
Karnataka	229.29	17.99	247.28	4.66	333.64	-	333.64	3.99	1005.00	-	1005.00	4.82
Kerala	183.13	49.65	232.78	4.38	271.04	208.93	479.97	5.00	770.34	-	770.34	3.70
Madhya Pradesh	343.10	-	343.10	6.45	543.27	-	543.27	5.66	1597.46	-	1597.46	7.67
Maharashtra	486.82	-	486.82	9.16	711.53	-	711.53	7.40	1714.06	-	1714.06	8.23
Manipur	3.43	23.37	26.80	0.50	13.48	114.53	128.01	1.33	47.71	146.32	194.03	0.93
Madhyalaya	7.60	11.24	18.84	0.23	12.39	74.67	87.06	0.91	41.54	92.61	134.15	0.64
Nagaland	3.66	77.95	81.61	1.54	6.83	128.84	135.67	1.41	22.24	218.35	240.59	1.15
Orissa	182.70	104.67	287.37	5.41	272.59	304.73	577.32	6.01	847.53	136.02	983.55	4.72
Punjab	113.17	-	113.17	2.13	168.97	-	168.97	1.76	419.53	-	419.53	2.01
Rajasthan	215.56	51.49	267.05	4.99	333.39	230.53	563.92	5.87	902.81	-	902.81	4.33
Sikkim	-	-	-	-	-	-	-	-	1.13	55.72	56.85	0.27
Tamil Nadu	347.96	22.82	370.78	6.97	538.57	-	538.57	5.60	1503.60	-	1503.60	7.21
Tripura	5.10	28.64	33.74	0.64	19.69	112.50	132.19	1.38	63.27	136.57	199.84	0.96
Uttar Pradesh	772.47	-	772.47	14.53	1150.22	198.83	1349.05	14.05	3314.74	-	3314.74	15.90
West Bengal	376.30	72.62	448.92	8.44	588.07	234.86	822.93	8.56	1597.11	-	1597.11	7.65
Total	4605.00	710.39	5315.99	100.00	7099.24	2509.61	9608.85	100.00	19669.85	1173.12	20842.97	100.00

Source : Compiled from the Reports of the Sixth and Seventh Finance Commission.
Includes share of grants-in-lieu of Railway Passengers fares tax.

Table 4

Variations Between Finance Commission Assessment
and State Assessment

In Rs. Crores

States	State's Assessment of Educational Exp- enditure 1979-80 - 1983-84 (five years)	7th Finance Commi- ssion's revised forecast of edn. expenditure 1979-80 - 1983-84	Variations (+) or (-)
Andhra Pradesh	987.88	882.29	(-) 105.59
Assam	291.00	273.95	(-) 17.05
Bihar	788.36	654.16	(-) 134.20
Gujarat	774.33	730.24	(-) 44.09
Haryana	225.45	216.59	(-) 8.86
Himachal Pradesh	147.49	144.63	(-) 2.86
Jammu & Kashmir	139.09	119.69	(-) 19.40
Karnataka	869.30	688.84	(-) 180.46
Kerala	1089.50	879.21	(-) 210.29
Madhya Pradesh	748.34	637.58	(-) 110.76
Maharashtra	1246.86	1269.90	(+) 23.04
Manipur	46.57	42.38	(-) 4.19
Meghalaya	27.84	27.01	(-) 0.83
Nagaland	35.93	32.96	(-) 2.97
Orissa	391.73	403.32	(+) 11.59
Punjab	406.26	372.20	(-) 34.06
Rajasthan	777.92	552.14	(-) 225.78
Sikkim	5.88	4.70	(-) 1.18
Tamil Nadu	1031.11	932.50	(-) 98.61
Tripura	62.71	60.81	(-) 1.90
Uttar Pradesh	1650.66	1254.37	(-) 396.29
West Bengal	920.05	833.65	(-) 86.40

Table 5

**Budgeted Expenditure (revenue Account)-On Education and Other
Department 1983-84**

States/UTs	Budget Expenditure Revenue Account			Per capita Budgeted Expenditure in (Rs.)	Percentage of Budgeted Expenditure to total Budgeted (Revenue Account)
	Plan	Non-Plan (Rs. in Crores)	Total		
Andhra Pradesh	104.5	355.0	459.5	85.8	23.2
Assam	22.2	141.3	163.5	82.2	28.1
Bihar	44.7	439.0	483.7	69.2	33.2
Gujarat	36.3	248.3	284.6	83.5	22.2
Haryana	25.6	97.1	122.7	94.9	21.3
Himachal Pradesh	8.2	52.6	60.8	142.0	17.9
Jammu & Kashmir	21.6	55.5	77.1	128.7	18.9
Karnataka	25.1	274.9	300.0	80.8	21.1
Kerala	21.1	310.9	332.0	130.4	36.2
Madhya Pradesh	21.8	274.3	296.1	56.7	18.2
Maharashtra	53.4	554.4	607.8	93.8	21.3
Manipur	4.4	19.2	23.6	166.1	20.3
Meghalaya	3.8	10.7	14.5	108.5	14.6
Nagaland	3.1	17.8	20.9	269.7	14.7
Orissa	17.9	153.1	171.0	121.2	26.7
Punjab	20.4	183.1	203.5	121.2	26.7
Rajasthan	44.1	240.8	284.9	83.1	28.4
Sikkim	3.0	2.7	5.7	180.2	12.7
Tamil Nadu	61.5	368.3	429.8	88.8	26.0
Tripura	5.3	24.7	30.0	136.1	18.5
Uttar Pradesh	53.1	495.7	548.8	49.5	21.9
West Bengal	84.2	396.9	481.1	83.2	26.5
A & N Islands	1.2	4.2	5.4	285.1	13.3
Arunachal Pradesh	5.0	7.1	12.1	191.5	12.1
Chandigarh	2.2	11.6	13.8	305.6	27.2
D & N Haveli	0.5	0.7	1.2	115.7	25.1
Delhi	27.6	75.3	102.9	165.4	35.3
Goa, Daman & Diu	4.8	14.8	19.6	180.3	27.6
Lakshadweep	0.4	1.3	1.7	422.3	13.0
Mizoram	2.3	6.9	9.2	186.3	13.2
Pondicherry	3.0	7.6	10.6	175.3	22.6
INDIA	732.2	4819.2	5551.4	81.0	24.0

Table 6

Per Capita Budgeted Expenditure on Education for Different States

States	1979-80	1980-81	1981-82	1982-83	1983-84
1	2	3	4	5	6
Andhra Pradesh	44.8	47.0	62.6	74.1	85.5
Assam	39.8	43.7	50.4	53.2	82.2
Bihar	30.6	30.4	40.4	51.2	69.2
Gujarat	53.7	59.7	70.7	76.0	83.5
Haryana	56.4	56.5	72.5	80.0	94.9
Himachal Pradesh	92.4	97.1	112.4	120.1	142.0
Jammu & Kashmir	72.8	77.5	86.3	88.9	128.7
Karnataka	53.8	53.1	60.9	74.5	80.8
Kerala	83.7	83.6	101.8	119.5	130.4
Madhya Pradesh	35.1	32.6	42.6	49.4	56.7
Maharashtra	62.1	65.6	72.3	83.9	96.8
Manipur	95.3	120.5	128.3	150.6	166.1
Meghalaya	59.5	76.2	83.7	97.3	108.5
Nagaland	155.4	160.2	180.4	206.5	269.7
Orissa	40.5	42.0	48.5	57.1	121.2
Punjab	72.9	74.2	82.7	100.0	121.2
Rajasthan	53.4	44.1	51.1	64.7	83.1
Sikkim	133.9	100.0	15.5	142.2	180.2
Tamil Nadu	55.5	54.2	61.9	74.6	88.8
Tripura	66.4	76.7	83.3	93.5	146.1
Uttar Pradesh	34.4	36.5	35.4	40.5	49.5
West Bengal	47.9	52.7	56.2	75.5	83.2
ALL INDIA	46.7	49.9	57.7	68.2	81.0

Table 7

Gross Enrolment Ratio at Primary Level I - V (6-11 years) 1981-82

States/UTs	Total Population			Scheduled Castes			Scheduled Tribes		
	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total
Andhra Pradesh	98.8	74.4	87.0	137.6	101.8	120.2	116.2	66.4	92.1
Assam	63.8	52.5	58.4	106.6	82.0	94.8	77.6	58.5	108.4
Bihar	103.3	46.5	75.8	83.9	24.3	55.3	101.7	47.5	75.5
Gujarat	124.9	86.6	107.4	167.4	106.3	137.9	124.9	73.9	102.7
Haryana	102.0	57.4	80.5	84.9	38.2	62.4	-	-	-
Himachal Pradesh	141.1	97.6	118.2	139.5	87.3	112.1	125.9	62.4	97.4
Jammu & Kashmir	105.5	55.4	79.5	129.4	40.8	73.9	-	-	-
Karnataka	102.2	84.0	93.4	81.8	56.0	69.3	227.2	93.4	162.4
Kerala	100.7	100.5	100.6	116.2	116.2	116.2	104.9	96.1	100.7
Madhya Pradesh	77.3	41.3	59.4	89.8	34.2	63.1	63.2	24.3	44.5
Maharashtra	128.5	104.4	116.8	N.A.	N.A.	N.A.	110.3	67.2	89.4
Manipur	126.3	99.1	112.6	149.2	107.6	128.4	142.9	111.8	127.2
Meghalaya	121.1	109.9	115.5	N.A.	N.A.	N.A.	124.8	111.3	118.1
Nagaland	163.2	128.4	146.0	-	-	-	179.8	141.6	160.9
Orissa	98.9	68.7	84.4	101.7	59.2	81.2	92.9	44.4	69.5
Punjab	115.2	101.4	108.6	137.8	106.8	123.8	-	-	-
Rajasthan	94.3	33.6	64.9	87.4	17.3	53.5	83.3	13.6	49.6
Sikkim	164.4	118.9	141.9	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Tamil Nadu	125.9	112.4	119.3	144.8	117.4	131.5	73.8	55.3	64.3
Tripura	120.3	87.5	105.8	186.4	133.2	159.6	107.2	60.2	83.5
Uttar Pradesh	95.5	49.0	71.4	92.8	34.6	64.6	132.6	67.1	100.8
West Bengal	94.6	66.1	80.8	79.7	43.7	62.3	60.6	35.6	48.5

Table 8

Retention Rate at Primary Level (I-V) - All India Figures

(In Lakhs)

	All Communities			Scheduled Castes			Scheduled Tribes			Other Communities		
	Enrol- ment in Class I of the base year	Enrol- ment in Class V after four years	Reten- tion Rate %	Enrol- ment in Class I of the base year	Enrol- ment in Class V after four years	Reten- tion Rate %	Enrol- ment in Class I of the base year	Enrol- ment in Class V after four years	Reten- tion Rate %	Enrol- ment in Class I of the base year	Enrol- ment in Class V after four years	Reten- tion Rate %
1967-68 to 1971-72	197.51	66.24	33.5	23.87	6.63	27.8	10.84	2.20	20.3	162.80	57.41	35.3
1968-69 to 1972-73	198.36	69.50	35.0	24.73	7.13	28.8	11.01	2.34	21.3	162.62	60.03	36.9
1969-70 to 1973-74	199.42	72.16	36.2	24.95	7.57	30.3	11.00	2.52	22.9	163.47	62.07	35.0
1970-71 to 1974-75	204.39	75.16	36.8	25.20	7.92	31.4	12.09	2.69	22.3	167.11	64.55	38.6
1971-72 to 1975-76	211.19	78.49	37.2	26.55	8.55	32.2	13.15	2.88	21.9	171.49	67.06	33.1
1972-73 to 1976-77	221.83	81.89	36.9	27.88	9.34	33.5	14.90	3.06	20.5	179.05	69.40	38.8
1973-74 to 1977-78	216.72	83.75	38.6	28.18	10.04	35.6	14.80	3.44	23.3	173.74	70.27	40.5

Retention rate is Worked out as :

$$\text{Retention Rate} = \frac{\text{Enrolment of Class V after Four Years (e.g. 1971-72)X100}{\text{Enrolment of Class I of the base Year (1967-68)}}$$

Source : Trends of Educational Development of Scheduled Castes and Scheduled Tribes in India 1967-68 to 1977-78, New Delhi : Ministry of Education & Culture, 1983

Table 9 A

Expenditure Per Capita in Kerala and their Rank

Name of the District	1960-61	1965-66	1970-71	1976-77	1960-61	1965-66	1970-71	1976-77
Trivandrum	15.6	23.0	42.3	90.5	1	1	1	1
Quilon	10.8	14.6	30.7	62.1	5	6	4	9
Alleppey	10.9	15.2	32.3	66.2	3	4	2	5
Kottayam	10.9	15.8	30.9	63.2	3	3	3	7
Idukki	-	-	-	-	-	-	-	-
Ernakulam	10.8	14.9	28.0	65.1	5	5	5	6
Trichur	14.2	17.4	26.1	71.7	2	2	6	3
Palghat	8.5	10.9	18.6	53.9	9	9	8	10
Malappuram	-	-	16.2	62.2	-	-	10	8
Kozhikode	9.8	12.1	21.5	77.5	8	8	7	2
Cannanore	10.1	12.7	21.5	70.9	7	7	7	4
Total	11.2	15.0	27.2	70.9				

Source: i) Educational Statistics Districtwise Kerala 1965-66, Vol.7, Page 67.
ii) Educational Statistics Districtwise Kerala 1976-77, Vol.XIX, Page 35.

Table 9 B

Cost Per Student in Primary Schools in Kerala and their Rank

Name of the District	1960-61	1965-66	1970-71	1976-77	1960-61	1965-66	1970-71	1976-77
Trivandrum	N.A.	31.5	59.6	124.3	N.A.	9	9	9
Quilon	-	30.9	65.2	200.3	-	9	6	8
Alleppey	-	31.8	62.3	222.4	-	7	8	7
Kottayam	-	34.2	59.0	235.7	-	5	10	6
Idukki	-	-	-	240.0	-	-	-	5
Ernakulam	-	33.9	63.8	171.5	-	6	7	11
Trichur	-	44.4	77.4	178.7	-	4	5	10
Palghat	-	50.9	87.9	276.2	-	1	3	4
Malappuram	-	-	82.1	289.9	-	-	4	3
Kozhikode	-	40.0	91.1	311.0	-	3	2	2
Cannanore	-	50.6	93.2	388.8	-	2	1	1
Total	-	39.2	73.6	243.0	-	-	-	-

Source: i) Educational Statistics Districtwise Kerala 1965-66, Vol.7, Page 78.
ii) Educational Statistics Districtwise Kerala 1976-77, Vol.XIX, Page 49.

Table 9 C

Ranking of Districts on the Basis of Cost Per Student in Middle Schools

Cost Per Student in Middle Schools in Kerala					Rank			
Name of the District	1960-61	1965-66	1970-71	1976-77	1960-61	1965-66	1970-71	1976-77
Trivandrum	N.A.	47.5	100.7	184.0	N.A.	9	6	11
Quilon	-	52.9	103.8	242.9	-	7	3	5
Alleppey	-	55.3	103.3	222.6	-	6	4	7
Kottayam	-	58.0	94.2	249.7	-	5	8	4
Idukki	-	-	-	283.8	-	-	-	2
Ernakulam	-	51.4	98.5	188.0	-	8	7	10
Trichur	-	64.4	111.4	207.0	-	1	1	9
Palghat	-	60.8	76.5	232.1	-	2	10	6
Malappuram	-	-	107.7	28.2	-	-	2	3
Kozhikode	-	58.5	101.5	220.4	-	4	5	8
Cannanore	-	60.2	91.9	287.6	-	3	9	1
Total	-	56.6	99.7	235.2				

Source: i) Educational Statistics Districtwise Kerala 1965-66, Vol.7, Page 86.
ii) Educational Statistics Districtwise Kerala 1976-77, Vol. XIX, Page 57.

Table 9 D

Ranking of Districts on the Basis of Per Student Cost (High Schools)

Cost Per Student in High/Higher Sec. Schools in Kerala					Rank			
Name of the District	1960-61	1965-66	1970-71	1976-77	1960-61	1965-66	1970-71	1976-77
Trivandrum	N.A.	79.7	152.5	418.0	N.A.	6	4	1
Quilon	-	76.7	160.8	260.6	-	8	2	8
Alleppey	-	83.2	175.5	272.8	-	3	1	7
Kottayam	-	89.1	158.1	249.4	-	1	3	10
Idukki	-	-	-	333.6	-	-	-	3
Ernakulam	-	80.8	157.7	347.9	-	5	5	2
Trichur	-	82.8	137.7	227.5	-	4	6	11
Palghat	-	85.3	122.6	251.5	-	2	8	9
Malappuram	-	-	87.0	299.7	-	-	10	6
Kozhikode	-	79.6	117.6	306.3	-	7	9	4
Cannanore	-	75.0	131.2	305.8	-	9	7	5
Total	-	31.5	144.1	237.4				

Source: i) Educational Statistics Districtwise Kerala 1965-66, Vol.7, Page 94.
ii) Educational Statistics Districtwise Kerala 1976-77, Vol. XIX, Page 64.

Table 9 E

Expenditure on Educational Institutions in Kerala

Name of the District	1960-61		1965-66		1970-71		1976-77	
	Rs.	% Share	Rs.	% Share	Rs.	% Share	Rs.	% Share
Trivandrum	27134696	14.4	45380449	15.8	93092388	16.0	225315021	13.1
Quilon	20877429	11.1	32180024	11.2	74110696	12.8	169355261	9.9
Alleppey	19736734	10.5	31231630	10.9	68656950	11.8	159504609	9.3
Kottayam	18954981	10.0	30937357	10.8	64449363	11.1	149221343	8.7
Idukki	-	-	-	-	-	-	53424039	3.1
Ernakulam	20044771	10.6	31423758	10.9	66791196	11.5	175688718	10.3
Trichur	33310897	12.3	32279412	11.3	55455461	9.6	172946200	10.1
Palghat	15165597	8.0	21956714	7.7	31378578*	5.4	102942286	6.0
Malappuram	-	-	-	-	30080790*	5.2	130919850	7.6
Kozhikode	25725667	13.6	35950999	12.5	45271784*	7.8	185386527	10.8
Cannanore	17927396	9.5	25588853	8.9	50884492*	8.8	190094691	11.1
Total	188878167	100.0	286929196	100.0	530271498	100.0	715308545	100.0

* Excluding Collegiate Portion

Source: i) Educational Statistics Districtwise Kerala 1965-66, Vol.7, Page 66.
ii) Educational Statistics Districtwise Kerala 1976-77, Vol. XIX, Page 35.

Table 9 F

Ranking of Districts on the Basis of Expenditure on Education

Expenditure on Educational Institutions in Kerala				Rank
Name of the District	1960-61	1965-66	1970-71	1976-77
Trivandrum	1	1	1	1
Quilon	4	4	2	6
Alleppey	6	5	3	7
Kottayam	7	7	5	8
Idukki	-	-	-	11
Ernakulam	5	5	4	4
Trichur	3	3	6	5
Palghat	9	9	9	10
Malappuram	-	-	10	9
Kozhikode	2	2	8	3
Cannanore	8	8	7	2

Table 10

Inter District Variation in per Student Expenditure

State	(SD) 1970-71	(SD) 1976-77	(CV) 1970-71	(CV) 1976-77
Uttar Pradesh	26.43	49.70	74.02	91.20
Tamil Nadu	10.7	24.7	14.8	21.00
Haryana	16.46	16.57	26.00	14.50
Mysore	-	22.5	-	10.9
Jammu & Kashmir	-	46.36	-	25.8
Kerala	15.6	36.8	16.12	26.32
Gujarat	15.2	50.5	23.1	31.80
Andhra Pradesh	28.8	28.3	40.5	20.6
Karnataka	129.2	12.9	150.0	11.7
Punjab	12.0	733.9	14.3	55.4
Bihar	32.5	51.74	67.9	50.9
Assam	13.32	33.67	22.5	31.6
Himachal Pradesh	133.00	233.00	55.0	78.0

Note : SD = Standard Deviation
CV = Co-efficient of Variation

Table 11

Statement showing gross enrolment ratios (ratios of enrolment to child population in the corresponding age-group) during 1978-79 in classes I-V (age-group 6-11) and classes VI-VIII (age-group 11-14) and Dropout Rates at the end of primary and middle stage

State/UT	Enrolment Ratio		Drop-out Rates percentages	
	Classes I-V	Classes VI-VIII	At the end of primary stage	At the end of middle stage
Andhra Pradesh	76.73	27.90	65.6	85.86
Assam	71.69	36.48	38.7	81.26
Bihar	74.09	21.15	72.0	86.56
Gujarat	76.49	45.90	63.7	75.56
Haryana	71.38	45.60	41.6	55.58
Himachal Pradesh	101.51	57.54	30.8	59.5
Jammu & Kashmir	66.59	38.37	52.6	66.64
Karnataka	91.30	38.28	67.9	80.04
Kerala	101.15	91.36	6.2	50.50
Madhya Pradesh	61.42	29.71	75.7	74.14
Maharashtra	105.74	44.76	56.1	73.6
Manipur	117.93	52.01	81.5	85.69
Meghalaya	115.96	38.85	75.6	-
Nagaland	143.83	57.57	59.3	76.89
Orissa	81.05	27.35	71.6	84.15
Punjab	108.81	59.62	45.3	59.23
Rajasthan	58.54	27.3	60.9	75.26
Sikkim	123.93	27.86	-	-
Tamil Nadu	109.93	51.52	47.2	71.41
Tripura	80.26	34.99	73.2	78.35
Uttar Pradesh	NA	NA	NA	NA
West Bengal	NA	NA	NA	NA

NA = Not Available

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