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There are two sets of issues that are being articulated on education currently. At one level the state's financial commitment to education is being addressed and at another the state's commitment to ensuring appropriate content in education. Much time and energy has been spent on the latter, prompted by the central government's initiatives, short sighted at best and ideologically prejudiced at worst. The overall quality of content and teaching has in an associated manner come up for some debate. The first set of issues has been articulated generally in the following terms: Is India spending, enough on elementary and secondary education? Has the government provided sufficient financial resources for the expansion of the school base? Should the allocations to education be raised in the state and central budgets?

Often such is the emotional response, driven by the demands of electoral politics and ideological perspective, to these questions that the debate tends to overlook many critical issues, among them the grave problems of a collapsing administrative machinery, which is unable to efficiently process the financial requirements of educational reform. For example, it is a fact that the share of budget allocation to education has been steadily rising. The percentage of central budgetary allocations education today account for over 11 per cent and the percentage of GNP spent on education is 3.8 per cent. The 1986 policy on education had suggested that the education expenditure be raised progressively to about 6 per cent of GNP, which has not happened. At the state level it varies with states like Karnataka spending about 16 per cent of the total budget on education. While there are available gross figures on what proportion is spent on primary or secondary education and even plan and non-plan breakdowns, the problem lies in the fact that education is an activity that takes place geographically and structurally very far from the state capitals. What is important is how much of the allocations actually reach the school system for which they have been budgeted.

Surprisingly, there appears to be no reliable reports on the distribution of the government's resources. A recent study on Karnataka's education budget, sponsored by the government and undertaken by the Centre for Budget and Policy Analysis, Bangalore, exposes the very

complicated systems through which funds have to pass before they get to the bottom of the system, the schools. While the education department incurs the largest share of the expenditure on education, there are any number of projects, schemes and programmes, which are directly and centrally sponsored. While all this is fairly well known what comes as a surprise is that there is no study of the pattern of release of funds. That is, in order to investigate the deployment of funds at the district level one needs to know all the financial resources that actually reach this level. However, there is no way of knowing, at least not easily, just how much reaches the district level, let alone lower levels. This is not merely a problem for researchers and budget analysts, but is also a concern to any sort of cost-impact analysis.

Another disturbing fact is that in order to overcome sluggishness in the system of transfer the administrative mach sets up alternative structures. For instance, many states have set up autonomous registered societies to streamline fund transfers, as Karnataka has done in setting up the Mahila Samakhya. Similarly there are centrally sponsored programmes like the District Primary Education Programmes in the states. This has two negative consequences: one, it allows a sluggish system to continue without reform; two, it creates new mechanisms, which tend to function not only independently of programmes, but without reference to the local government. This is increasingly evident as the centre, yielding to pressure to increase spending on education; enlarging its role in this sector; gaining political mileage on the way; and introducing more schemes by passing state government structures and local governments. The Karnataka study points out that one way of determining if responsibilities are being transferred to the panchayats is to see if there is a rising trend in the proportion of district expenditure to total state expenditure in education. Unfortunately given the state of documentation of finances and their flows, this is a most difficult exercise.

Another issue rarely discussed is the rising private contribution to school education. This is not only in the form of private schools but also in terms of the rising tendencies of private fund through non-profit making societies and associations that come into the sector to run schools at the primary level. While this may be small today, it is rising. Governments, at the state and the centre, have made little effort to address the issue of quality of education in the

private sector. There has been a decrease of legislative initiatives to streamline education and ensure quality and, in some manner, equity.

These are some of the issues that must be addressed by the centre and state budgetary systems. They need to be reviewed and streamlined to ensure that the time lapse between the release of funds at one level and the receipt of funds a local level is minimal. Essentially, whatever the political imperative, both the state and the centre must refrain from introducing new schemes from the top and instead strengthen the responsibilities at the panchayat levels. Also, more sophisticated terms must be introduced to document finances in the social sector. Without these, there can be no reliable assessment of funds being efficiently used for the social good.