

# An Analysis of Inefficient Allocation and Expenditure in the Education Budget

**Dipika Jaiswal, Enakshi  
Sharma, Nayantara Nath &  
Shreyes Shekhar**

Researching Reality Summer Internship 2014  
Working paper: 334

## TABLE OF CONTENTS

ABSTRACT.....Page 3

INTRODUCTION.....Page 4

### **Sections**

Section 1—Fund Flow.....Page 6

Section 2—Trends In Budgetary Allocations.....Page 8

Section 3—The Micro-View—What Happens At The Grassroots Level? .....Page 10

Section 4—The Macro-View—What Happens At the Government Level? .....Page 14

Section 5—Policy Recommendations.....Page 18

Section 6—Decentralisation.....Page 18

Section 7—Teacher Recruitment Reforms.....Page 21

Section 8—Privatisation And Community Financing.....Page 23

Section 9—Conclusion.....Page 25

Section 10—References.....Page 26

Section 11—Appendix.....Page 28

## ABSTRACT

In this paper, the education budget of the Government of India is considered, with specific emphasis on the conduits through which taxpayer money flows, the leakages inherent in this funding model, the separate governmental schemes that elementary education is conducted through, and a comparison of global best practices with regards to budgetary allocation. In conclusion, this paper recommends certain policy changes, both at the national level, with regards to the improvement of transparency, and at the grassroots level, with regards to decentralisation of spending decisions and the provision of teacher incentives in order to improve learning outcomes at the national level—a subject that is also alluded to in this paper.

## INTRODUCTION

Under the directive principles of state policy, the Indian Constitution had set the goal of free compulsory education by 1960 for all children until they reached the age of 14 years. However, due to a paucity of rapid expansion of schools to meet the goal, India failed to achieve universal education by 1960. After 1960, two national policy statements in 1968 and 1986 (revised in 1992) still left us some distance away from the goal. (Panagariya 2010, Location 9995; "India: The Emerging Giant", Arvind Panagariya, Kindle Edition) Indeed, according to the recent national census, our net enrollment still remains 98.59%—an impressive figure, but one that must be viewed as the result of 67 years of directed investment. In 2002, the Atal Bihari Vajpayee led NDA government launched the Sarva Shiksha Abhiyan (SSA), the National Movement for Universal (Elementary) Education, and, simultaneously, elevated the right to education from a directive principle of state policy to an enforceable fundamental right. However, even as India's elementary education budget has been increasing—from 68,503 crores in 2007-08 to 147,059 crores in 2012-13—learning outcomes have been stagnant, and, recently, worsening.<sup>12</sup> Moreover, as this paper analyses, revised budgetary estimates are, frequently, far below amounts allocated by the budget. As per a Comptroller and Auditor General (CAG) performance audit report on the SSA programme, funds were irregularly diverted to activities and schemes which were beyond the scope of the SSA. In the districts test checked by audit in eleven states, Rs. 99.98 crores was spent on items not permitted under SSA. Besides, in fourteen states/union territories, financial irregularities of Rs. 472.51 crores were also noticed. (CAG 2006) Where does this money go? In order to understand this conundrum, which this paper attempts to parse, it is also important to evaluate central funding of education—viz. how does the central government allocate money; which organisations and agencies are responsible for allocating the money to the states; what are the budgetary ratios in which money is divided, and how accurately are these measures followed; what happens at the micro level—do schools get their money?—and at the macro level—what are the differences between

---

1 Learning outcomes, as referred to hereinafter, are measured by Pratham's country-wide ASER Report, which is an annual household survey to assess children's schooling status and basic learning levels in reading and arithmetic. In 2013, it surveyed 569,664 children in 550 districts, making it the largest and most accurate country-wide measure of learning outcomes, which are measured by, amongst other parameters, percentage of children in Std. III who can read at least a Std. I level text, and percentage of children in Std. V who can read a Std. III level text.

2 It is also worth noting that governmental reports, as measured by the annual flash statistics report released by the District Information System for Education (DISE), are, largely, inaccurate. In "Why the government's recent report on educational outcomes is misleading", T C A Sharad Raghavan performs a comparative analysis of the DISE and ASER reports, finding that the rankings are negatively correlated: "states which score high on government rankings are actually delivering poor quality education". (Ragavan 2014)

governmental allocation and release of funds, and between allocation and expenditure?; and, lastly, whether there are observable policy recommendations that could make the process more transparent, whilst minimising leakages.

## FUND FLOW

This section attempts to analyse the conduits through which central government money on education is spent. “The 10th and 11th Plan periods corresponding to the last 10 years (2002–12) have witnessed a concerted effort to provide a thrust towards the universalisation of elementary education and significantly expanding access to secondary and higher education. This has mainly come about through the intervention of the central government in elementary education, which was traditionally in the domain of the states, having significant implications for the structure of financing the education sector in general, and the fiscal responsibilities between the centre and the states in particular”. (Mukherjee & Sikdar 2012, 1)

The education budget of the government can be disaggregated into five broad components: (a) elementary; (b) secondary; (c) university, higher and distance learning; (d) technical education; and e) others, which includes adult education, promotion of language, etc. (Ibid.) Expenditure in the Department of School Education and Literacy and the Department of Higher Education, under the Ministry of Human Resource and Development (MHRD), constitutes over 90 per cent of the total education budget of the Government of India. Schemes are categorised according to their purpose—administrative expenditure, increasing enrolment and reducing dropout, improving quality, ensuring equity, support to institutions of learning, etc. and an analysis of the size of the scheme (above 5,000 million to less than 500 million) and their distribution, both within the education sub-sector—such as elementary education—and across the five subsectors is imperative to understanding the flow of the budget. (Ibid.)

The major developments during the 11th Plan period have been: (a) expansion of Sarva Shiksha Abhiyan (SSA) as the vehicle of universal elementary education; (b) extension of the Mid-Day Meal scheme (MDM) to all elementary schools; (c) enactment of the RTE Act, 2009; (d) establishment of the Rashtriya Madhyamik Shiksha Abhiyan (RMSA); and (e) enhancement of allocation for higher education through the establishment of Indian Institutes of Technology (IITs), Indian Institutes of Management (IIMs) and National Institutes of Technology (NITs). The period also saw the initiation of reforms in higher education through the National Commission for Higher Education and Research (NCHER) Bill which is currently before the parliament. Corresponding to these developments, the budgetary allocation and expenditure by the central government increased significantly between 2007–08 and 2011–12. However, constrained by a burgeoning fiscal deficit, the last two years—viz. FY 2013-14 and FY 2014-15—have seen significant budget cuts—a topic this paper addresses briefly in the next section.

Almost the entire allocation in the budget for education by the central government is spent through different schemes. These range from large system-wide interventions, such as SSA, to

particular organisations and institutions such as the Kendriya Vidyalaya Sangathan (KVS), to targeted scholarship schemes for girl students. Most schemes have a particular motivation, a funding structure and a delivery mechanism. These range from direct expenditure by the central government (funding for University Grants Commission [UGC], for example), expenditure through state governments, and pooling resources between centre and states (SSA and RMSA). The expenditure of the central government has been categorised into five major groups according to their motivation: increasing enrolment, reducing dropout, improving quality, ensuring equity, institutional allowances and grants to north-eastern states.

However, the size of the schemes vary significantly. For example, there are six schemes to increase enrolment with a total outlay of over 200,000 million (of which SSA is the major recipient). On the other hand, there are 11 schemes with an equity focus with a total outlay of 11,670 million in 2011–12. Similarly, the number of funding schemes that have been earmarked for the north-east increased from 19 to 29 during the 11<sup>th</sup> Plan period. During the 11th Plan, education financing by the central government reflected the focus on increasing enrolment and reducing dropouts. Institutional grants for higher education, either directly or through the UGC, have shown significant increase in allocations. The policy objective of universal elementary education is primarily reflected in the consolidation of the large Centrally Sponsored Schemes (CSSs). In 2011–12, apart from the SSA and the MDM, a new scheme—Strengthening of Teachers Training Institutions—has been introduced under the first group. The Scheme to Provide Quality Education in Madrasahs (SPQEM) is the only scheme in Group II with an increased allocation in 2011–12. The SPQEM was launched in 2009–10, and the District Primary Education Programme (DPEP) was stopped in the same year. The Kasturba Gandhi Balika Vidyalaya, which continued from the 10th Plan as a separate scheme, was merged with the SSA after 2006–07. The Mahila Samakhyas and the Scheme for Infrastructure Development in Minority Institute (IDMI), with 500 million allocation comes under Group III. The ‘National Bal Bhawan, New Delhi’ is the only scheme in elementary education, whose allocation is less than 500 million. The decrease in elementary education expenditure in Group II is due to two reasons—first, the Strengthening of Teachers Training Institutions scheme has been upgraded from Group II to Group I due to the increase in allocation to above `5,000 million in the Union Budget 2011–12; second, the Kasturba Gandhi Balika Vidyalaya, which was started as a separate scheme during the 10th Plan, was merged with the SSA in 2007–08. The SPQEM is the only scheme in Group II of elementary education in Union Budget 2011–12 with an allocation of 1,500 million.

**See: Table 2A, 2B, and 2C—List of schemes of the HRD Ministry (2007-08 and 2011-12), and list of schemes of the HRD Ministry by group, as attached at the end of this paper. (Mukherjee & Sikdar, 26-29)**

## TRENDS IN BUDGETARY ALLOCATION

It has been observed by Yamini Aiyar, Avani Kapur and Anit Mukherjee, of Accountability Initiative and NIPFP, that India's education budget was gradually swelling. It rose from Rs. 157,847 crores in 2004-2005 to Rs. 372,813 crores in 2009-2010, out of which an estimated 45% was allocated towards elementary education. However, the authors raised a concern regarding the link between planning and the expenditure of the funds—a topic this paper addresses in the following sections. They determined that, on average, 30% of the funds remain unspent each year. Bihar, for example, spent a mere 51% of its allocations in 2009-2010 in spite of receiving the highest increase in SSA allocations. Hence, the problem of insufficient funds is essentially a problem of inefficient spending of available funds—in 2007-08, for instance, the gap between AWP&B allocations (21,760 crores) and expenditure (15,751 crores)—6009 crores—has widened to 23,926 crores (an allocation of 61,734 crores and expenditure of 37,808 crores). However, constrained by a burgeoning fiscal deficit, education sector allocations, and, specifically, SSA outlays, have seen significant cuts in the past two years—viz. FY 2013-14 and FY 2014-15. Whilst SSA allocation (AWP&B), as noted above, was 61,734 crores in 2011-12, it declined to 27,258 crores in FY 2013-14, before rising to 28,258 crores in this year's budget. Moreover, despite elementary education outlays decreasing, arguably, because of a greater focus on higher education, especially in this year's budget, the deficit has also necessitated a forced cut of budgetary allocation in the past two years. In December, 2012, the education sector's spending limits were slashed by more than 7%, or 51 billion rupees, after the fiscal deficit crossed the annual target of 4.9% in the first half of the year. In November, 2013, despite the budgetary allocation seeing an increase of 17% year-on-year, the budget was slashed by 6%, or 40 billion rupees, with the elementary education department losing 25 billion rupees of this cut. (Sreeja 2013; Aiyar, Kapur & Mukherjee 2011)

It is also important to consider, when observing the linkage, if any, between budgetary allocation and expenditure, the **gestation period of public expenditure programmes** as has been noted by a multitude of research papers and in reports by the IMF. When considering the budget cuts, as noted above, then, it is important to evaluate the long-term impact of such 'austerity measures' on human capital formation. Moreover, the existence of such a period could also explain, or be considered as a factor in the linkage between budgetary allocation and learning outcome levels—viz. how long does it take, essentially, for an increase, or a decrease, as seen in the past few years, in budgetary allocation to have an impact on learning outcome levels. Since, we are unlikely to see this outcome immediately due to the aforementioned gestation lag, the young population is likely to experience a further decline in

learning outcomes, as has been observed by the ASER reports. This downward trend in performance of the students is likely to get greatly exaggerated in the years to come as, of the allocations, only a meagre percentage is actually spent. Thus, when the allocations itself are reduced, the percentage actually spent reduces even further. For example, as noted earlier, whilst the AWP&B allocation in 2011-12 was 61,734 crores, the actual expenditure was only 37,808 crores. If we, therefore, concentrated more on expenditure of the money allocated, rather than focussing on trends in allocation alone, the education sector could be given a major impetus.<sup>3</sup>

In India, with the passage of the RTE, and, subsequently, with greater amounts of money being devoted to the fulfilment of the infrastructural norms contained therein, allocation and expenditure, arguably, have been increasingly committed to a tangible use of the funds, representing coping mechanisms at the grassroots level, rather than on thoughtful decisions that would have a long-term impact—arguably, this is a reflection of the gestation lag that officials consider. Therefore, because of this lag, officials, at the local level, and in the state and central education departments, realise that only a tangible use of funds would actually be seen as representing action undertaken, rather than structural reform and changes in the directional trend of expenditure—where the money should be allocated—which, due to the lag, would represent only future value. (IMF)

---

<sup>3</sup> For example, although this year's budgetary allocation of 28,258 crores represents a significant cut when allocation from 2011-12 is considered, if nearly 100% of this money is actually expended, the shortfall therein would only be 9000 crores or so—far lesser than the gap between the allocations alone. (PAISA 2012, 12 & Accountability Initiative 2014, 1)

## THE MICRO VIEW—WHAT HAPPENS AT THE GRASSROOTS LEVEL?

SSA is the programmatic vehicle through which the government aims to deliver on its RTE commitments, as the Accountability Initiative's PAISA report notes. (PAISA 2012, 6) Unsurprisingly, therefore, the SSA budget has seen an even greater increase—57% between 2010-11 and 2012-13.<sup>4</sup> The SSA budget is comprised of allocations to teachers (43%), school infrastructure (35%), children (12%), and quality specific activities (2%), amongst others. States, however, prioritise these components accordingly, resulting in variations.<sup>5</sup> Evidently, the current budgeting system prioritises inputs—the linkage of which to learning outcomes is questionable<sup>6</sup>—and is extremely centralised. The education bureaucracy, managed by the state government, is responsible for all critical teacher and infrastructure-related decisions. Whilst funds for infrastructure development are often channelled to schools, key decisions related to sanctions and procurement are taken by the district administration. Moreover, even though schools can demand infrastructure funds, they have no decision-making power over the timing of the receipt of these funds and de-facto funds have to be spent based on priorities set by the state and district administration.<sup>7</sup> (Ibid.) Similarly, at the micro level, whilst there has been some improvement in the percentage of schools receiving the grants under RTE (student development grant (SDG), school maintenance grant (SMG), and teaching-learning material grant (TLM)), there has been no major improvement in the timeliness of grants—just about half of schools receive their grants by November, which is half-way through the financial year.<sup>8</sup> Moreover, in FY 2011-12, only 74% of schools reported receiving all three mandatory grants.<sup>9</sup>

---

4 As noted earlier, however, the SSA allocations have seen a significant cut in the previous two years. However, the PAISA report, which this paper recognises as the most accurate source of information on budgetary allocation and expenditure, has only been updated until 2012, and, therefore, most estimates of allocation and expenditure in this paper will represent unadjusted, 2012 values.

5 Rajasthan and Uttar Pradesh, for example, allocated the highest share of their SSA budget to teachers—76% and 73%, respectively—whilst Andhra Pradesh (the undivided state in 2012-13, that is) prioritised infrastructure over teachers, allocating 44% and 32% to those components respectively. (PAISA 2012, 6)

6 See Footnote 2.

7 The PAISA report, in fact, finds that districts have little control over expenditure; the priorities set by the state and central governments appear to matter more. In one district in Himachal Pradesh, for instance, all schools were required to construct boundary walls based on prioritisation set by the state governments.

8 "Block and district-level officials attribute these delays to problems such as limited access to core banking, banks not crediting accounts on time, incorrect account numbers, and lack of clarity of grant names during fund transfers". (PAISA 2012, 7)

9 Again, there is much variation across states—a familiar narrative in the education sector. Whilst over 84% of schools reported receiving it in Himachal Pradesh, Andhra Pradesh, and Karnataka, only 26% received it in Meghalaya, for example. (PAISA 2012, 7-8)

However, there is evidence to suggest that when the money arrives, schools do spend it. Over 90% of the schools surveyed by the PAISA report spent their money, much of which was on essential items such as white-washing their walls, funding school events, and purchasing chalks, dusters, and registers. The lack of spending on repair work, such as those of toilets or drinking water facilities, perhaps suggests that school funds are simply not sufficient for the wide variety of tasks that a school must undertake. It is also likely, though, that the planning at the school level is weak and that expenditures do not always connect with school needs—it is highly unlikely, then, that 67% of schools—the official figure as cited by the PAISA report—actually required a white-washing of their walls, or that they deemed it more important than the repair of essential facilities, examples of which are cited above. What is more likely is, as discussed earlier, that white-washing represents an easy, tangible use of the funds—further evidence of the fact that, even though schools and school management committees (SMCs) have been given expenditure control over the RTE grants, in practice, expenditures are made based on orders from higher authorities. (PAISA 2012, 7-8)<sup>10</sup>

The revised SSA framework also acknowledges the insufficient monitoring of schools and its consequent impact on the quality of the teacher-learning process. Block Resource Centre Coordinators (BRCC), BEOs, and their team of Additional Block Resource Coordinators (ABRCs) and Cluster Resource Centre Coordinators (CRCCs), are appointed to periodically inspect and monitor infrastructure and facilities, inspect records maintained by headmasters, monitor the functioning of the Mid-Day Meal (MDM), and provide curricular support. Whilst there is a Block Resource Centre (BRC) in every block, there are several Cluster Resource Centres (CRCs) within a block, each covering a small number of schools within reach, so as to ensure they remain in close contact with the teachers of the schools within their jurisdiction. “The BRCs and CRCs are expected to function as vital centres for organising in-service teacher training, and providing on-site support to teachers in schools and for helping in community mobilisation”. (Tara, Kumar & Ramaswamy 2009) The BRC is also the main point of grievance redressal at the school-level. (Accountability Initiative 2014, 6) BRCCs and CRCCs collect material from the District Project Office for distribution amongst the teachers and VECs through CRCs and provide support to the schools and VECs, whilst “monitoring the implementation of pedagogical and other interventions at school level”. (Tara, Kumar & Ramaswamy 2009) CRCCs also provide support to

---

10 The PAISA report substantiates this with anecdotal evidence from schools they have visited during the course of collating information. In some districts, for example, “schools were asked to white-wash their walls in preparation for the Chief Minister’s visit. In others, they were asked to purchase storage cupboards and furniture. School needs were not considered when instructions were given”. (PAISA 2012, 8)

teachers, monitoring their performance, and identifying their needs, whilst liaising with VECs, the community, and NGOs working in the field of education. (Ibid.) Although 7% of the SSA budget is allocated towards management, which includes salaries and other administrative costs involved in running BRCs, there are a considerable number of vacancies in the SSA department for district and block officers. 20% of the posts at the state level, 21% at the district level, and 20% of BRC posts were lying vacant. As of September 2013, over 60% of BRC posts in Bihar—a number that has remained unchanged since the previous year—85% in Arunachal Pradesh, and 100% of the posts in Sikkim, are lying vacant. (Accountability Initiative 2014, 7)

In a study carried out in Karnataka and Kerala, S Nayana Tara, NS Sanath Kumar, and S Ramaswamy selected five and four districts, respectively, using the random sampling method. In each state, twelve educational blocks were selected, and the BRCC and at least three Block Resource Persons (BRPs) were interviewed. Moreover, in each block, four clusters were selected; in each cluster level, the CRCCs of the sampled CRCs were interviewed. Their findings reveal that the visits to schools were inadequate, with BRCCs making the least visits. The authors' discussions with BRCCs and BRPs in both the states revealed that "infrequent visits to schools are mainly due to heavy administrative workload, vast area of operation, lack of incentives, lack of transport facility, and the like". In Kerala, 78.1% of CRCCs did not make any visits to schools. BRCCs primarily extend support in the form of the Contingency and Teacher Grant (67.7% in Karnataka, and 90.6% in Kerala), and guidance in the preparation of TLM (58.3% and 86.5%, respectively). CRCCs, as noted above, appear to make a minimal amount of visits in Kerala, whilst their support in Karnataka is stronger, through relatively more frequent visits to schools. Their primary extension of support in Karnataka is in the form of imparting cluster level training as well as conducting meetings (86.5%), assistance in class room transaction (74%), use of contingency funds (59.4%), and meeting with VEC members and the community (81.3%). (Tara, Kumar & Ramaswamy 2009) Importantly, the authors find that the work load of BRC and CRC functionaries in both the states has adversely affected their effectiveness in terms of quality of output and overall impact in the teaching-learning process—a matter that this paper considers in the policy recommendations section.<sup>11</sup>

An important component of the RTE is community mobilisation and training, for which purpose the act envisages SMCs—School Management Committees, as noted earlier—that are

---

11 An overwhelming proportion of CRCCs and BRPs (72.7% and 77.8% in Karnataka; and, 66.7% and 86.1% in Kerala) felt that the work load on them was quite heavy. Moreover, 48.9% of CRCCs in Kerala and 44.4% in Karnataka reported feeling the pressure of balancing administrative and academic tasks. (Tara, Kumar & Ramaswamy 2009)

responsible for monitoring schools, undertaking expenditures, and creating School Development Plans (SDPs). The act states that the SMC should consist of “elected representatives of the local authorities, parents, or guardians of children admitted in such school and teachers”. The law further specifies that 75% of committee members should be parents or guardians of children, 50% of members should be women, and that proportionate representation should be given to be parents of children from disadvantaged groups and weaker sections. Furthermore, SMCs must meet monthly and ensure that the meeting minutes and decisions of the meetings are publicly available. (Government of India, RTE, Chapter 4, Article 21, Clause 1, as quoted in Princeton 2013, 3) In FY 2009-10, only 29 crores was allocated to community training, with no allocations for mobilisation. However, this increased over nine-fold to 297 crores in FY 2010-11; in 2013-14, however, perhaps motivated by the burgeoning deficit, allocations for community mobilisation and training dropped to 215 crores. A similar story unfolds here, however, with expenditure on community training and mobilisation remaining low—only 71% of funds were spent in 2013-14, a figure that, nevertheless, represents an increase over the 51% spent in 2010-11.<sup>12</sup> (Princeton 2013, 3) SDPs, which are important component of the SSA planning system, are prepared by SMCs in a participatory manner, which are then aggregated into AWP&Bs. On average, only 81% of SMCs had made a SDP in FY 2012-13.<sup>13</sup> (Ibid., 8) Moreover, empirical analysis shows that SMCs, highly emphasised under the RTE, are ineffective. “They (referring to accountability mechanisms) often ask resource-strapped families to take on additional mandates of educational monitoring, and they may not provide avenues for engaged parents to complain all the way up, or to critique broader elements of educational policy, such as the quality of instruction”. (Princeton 2013, 9)

---

12 Here, too, state-wise differences are large. Himachal Pradesh and Andhra Pradesh have consistently spent almost all their funds for community training and mobilisation, whilst Uttar Pradesh spent only 27% of its budget in 2012-13 and 2013-14. (Accountability Initiative 2014, 7)

13 Whilst over 90% of the SMCs in Himachal Pradesh, Gujarat, Andhra Pradesh, Tamil Nadu, and Punjab had prepared SDPs, this percentage was only 34% in West Bengal and 51% in Sikkim. (Accountability Initiative 2014, 8)

## THE MACRO—VIEW: WHAT HAPPENS AT THE GOVERNMENT LEVEL?

Expenditure under the SSA, as per the previously cited CAG performance audit report, was financed during the IX Five Year Plan on 85:15 basis by the Union and State Governments. The ratio was changed to 75:25 during the X Plan, and is, presently, 65:35. The Union Government's share was partially (30%) financed by external agencies—World Bank's International Development Association (IDA); Department for International Development (UK); and, the European Commission (EC)—in the form of soft loans and grants. SSA, however, remains primarily funded by a 2% education cess, called the Prarambhik Shiksha Kosh (PSK), which is a tax-on-tax paid by the public. In FY 2009-10, 64% of the funds for SSA came from the PSK; this has increased to 67% in FY 2014-15. (Accountability Initiative 2014, 2) The Ministry of Human Resource Development (HRD) is to provide financial assistance to the State Implementation Society (SIS) based on the approved Annual Work Plan and Budget (AWP&B) each year.<sup>14</sup> The outlay was to be approved by PAB of the Department of Elementary Education and Literacy on the basis of plans submitted by the SIS. The CAG report reveals that the revised budgetary estimates represent only between 43-57% of the approved outlay during the period between 2001-02 to 2004-05. Funds released by the Ministry and respective state governments (Rs. 12983.56 crores) were far less than the outlay approved by PAB (Rs. 23850.88 crores). The audit further notes that the budget allocation and release of grants to SIS were much below the amounts required as per the AWP&B. Even though the states and union territories, together, were able to spend 86% of the funds released, the percentage utilisation of the funds released was, in some states, very poor. (CAG 2006, 8-9)

Moreover, there was also a considerable delay in the release of grants. The manual of Financial Management and Procurement (FMP) stipulated that the Ministry would release funds directly to the SIS in two instalments—in April and September—every year. The financial norms of the programme envisaged that the participating state would contribute the agreed ratio of the programme cost within thirty days of the receipt of the contribution of the Union Government as per the approved sharing agreement. Utilisation certificates from districts to the national mission through the states in respect of the first instalment of a particular year were required to be furnished at the time of release of the first instalment of the subsequent year. A test check in the CAG audit revealed that in Bihar, for instance, Shiksha Pariyojana Parishad furnished UCs for Rs. 421.43 crores to the Ministry that represented 69% of the funds released without having

---

<sup>14</sup> The CAG report has a detailed table of budget estimates, revised estimates, approved outlays, grants released and actual expenditure. See CAG (2006), 9, Table 1.

received the UCs in turn from the districts.<sup>15</sup> (Ibid., 12) The audit also reveals that funds amounting to Rs. 99.98 crores were diverted from SSA for meeting expenditure not covered under the scheme in eleven states. West Bengal is the primary culprit herein, accounting for a diversion of Rs. 18.13 crore to, amongst other reasons, purchase of crockery and utensils for mid day meal schemes, purchase of air conditioners, and repair of bungalow.<sup>16</sup> SSA also conceived various initiatives, including preparatory activities for micro-planning, household surveys, training and orientation and deployment of teachers, amongst others. The audit, then, notes intervention-wise discrepancies.<sup>17</sup> In Assam, for example, out of Rs. 1.24 crores sanctioned by the Ministry during 2001-02 and 2002-03 for pre-project preparatory activities, only Rs. 25.70 lakhs were spent on the purchase of office equipment and technical survey instead of household survey. (Ibid., 19)

Whilst these figures represent the performance audit of 2006, most of these concerns persist. The PAISA report, from 2012, states that, despite allocations for SSA increasing three-fold over the last few years—this has seen a downward trend since, as noted earlier—the gap between allocations and expenditure, as cited above, continues to widen. For instance, in 2007-08, whilst the AWP&B's allocation was 21,760 crores, expenditure was only 15,751 crores—72.39%; in 2012-13, this gap is worse, with only 63% of total allocation spent. Expenditure decisions are a consequence of “coping strategies, rather than an informed decision directed towards a specific outcome”, as discussed earlier. (Ibid., 14) PAISA finds that many coping mechanisms are being employed as immediate solutions, resulting in money that, if spent, represents arbitrary decisions taken without considering needs on the ground. If a state prioritises SSA funds for infrastructure, for example, over spending on teacher salaries, due to the delays in receiving financial and technical sanctions from different authorities for construction activities, they park their funds in school bank accounts, with expenditures not undertaken during the financial year. In some states, the report finds that spending was lower than budgeted as “it was not possible to fill teacher positions from the start of the year, training sessions took time to organize [sic] and so all planned training could not be completed”. (Ibid.) This disparity between allocation and expenditure is harming the subjects whom our education sector is tailored towards—the students themselves. **PAISA's analysis shows, for instance, that whilst per-student allocations do not have a significant impact on learning outcomes, as measured by the ASER report, per-student expenditures do.** Thus, a Rs. 1000 increase in per-student

---

15 In Madhya Pradesh, Orissa, and Meghalaya, UCs for Rs. 137.24 crores were not furnished between 2000-05, as of December 2005. The maximum delay in forwarding UCs was three years in the case of Kerala, whereas the minimum was five months in the case of Tamil Nadu. (CAG Report 2006, 12)

16 For a detailed report of the amount of funds and reasons given by the eleven states, see Table 3 on 12-15. (CAG Report 2006)

17 See Table 8—deficiencies noted in the preparatory activities. (CAG 2006, 19)

expenditures would increase the proportion of students in Standard III-5 who can read a Standard I text by 2.2 percentage points; a similar increase would increase the proportion of students in Standard III-V who can do basic subtraction by 2.5 percentage points. (Ibid., 15)

However, whilst a majority of the expenditure under SSA continues to be incurred only in the second half of the financial year, this percentage has seen some improvement over the past few years, with expenditure in the last two quarters of the financial year improving from 65% in 2009-10 to 54% in 2012-13. Moreover, at the state level, there has been a significant improvement in the proportion of funds spent out of total funds available, when comparing FY 2009-10 data with that of FY 2012-13. Again, there are differences in state level expenditure performance—Himachal Pradesh and Orissa, for example, spent 100% of their available funds, whilst the spending levels of Tamil Nadu (93% to 87%) and Maharashtra (92% to 85%) declined over the period.

Funds for SSA are released by the central and state governments to State Implementation Societies, as noted above. In FY 2009-10, the central government released 76% of its share, whilst states released 70%. In 2012-13, the quantum of funds released was lower, with both the central and state governments releasing less than half (49%) of the total approved allocations. (Accountability Initiative 2014, 3)<sup>18</sup> Delays at the 'macro' level—viz. at the level of Union and State governments—has a knock-on effect at the lower levels as well.<sup>19</sup> There is, also, a mismatch between total SSA budgets approved and final governmental allocations for SSA. In FY 2012-13, for example, whilst state AWP&B amounting to 69,937 crores was approved, the government allocated only 23,645 crores for SSA—a shocking 33.8%.<sup>20</sup>

Following the passage of the RTE, it is also worth considering the extent to which schools are complying with the norms imposed therein, including the meeting of certain infrastructure norms such as the number of classrooms, boundary wall, playground, separate girls' toilet, and

---

18 This amount varies across states, again. In 2010-11, for example, the HRD Ministry had only released 38% of its funds for Andhra Pradesh, 46% for Bihar, and 40% for Himachal Pradesh by the third quarter of the financial year.

19 For instance, only 45% of allocated funds for Nalanda and 51% for Purnea were released by the SSA society in 2010-11. Similarly, only 66% of funds for Medak, Andhra Pradesh, were released. (PAISA 2012, 13)

20 This gap has improved, since, but still remains a source of concern. In FY 2013-14, the government allocated 47,753 crores worth of plans, but only allocated 56% of it.

a drinking water facility. However, despite an interim period of three years, compliance with these norms remains low. By 2012-13, for example, only 57% of schools had a playground—an increase of only 6% since 2009-10.<sup>21</sup> Moreover, notwithstanding poor compliance with norms, it is worth analysing if the RTE itself is effective at improving student learning. Studying this question, Princeton (2013) concluded that their empirical results suggest that it does not. Grant delivery and infrastructure—the primary components of the act—do not have strong impacts of student and teacher attendance, which they note are the key determinants of learning outcomes. Indeed, whilst student enrolment in India is 91%, the attendance level is, unsurprisingly, not as high. Whilst Kerala has the highest attendance rate—an impressive 100%—abseenteism rates in Bihar and Uttar Pradesh—states which have continually performed poorly on measures of learning outcomes—were as high as 40%. (EdCIL 2014, as quoted in Accountability Initiative 2014, 9) Teacher abseenteism, similarly, continues to be a cause for concern. According to EdCIL (2014), 27% of upper primary school (UPS) teachers and 23% of primary school (PS) teachers in Bihar were found to be absent.<sup>22</sup> (Ibid.) Based on their analysis, the research team concluded that the “RTE has failed to produce meaningful changes in educational quality in India, and that existing accountability mechanisms are insufficient to create real avenues for parent or community ownership of the educational system”. (Princeton 2013, 1)

---

21 The compliance with the drinking water facility requirement is stronger, however, with 95% of schools meeting the requisite norm. This only represents, however, a 2% increase since 2009-10—it is, therefore, worth considering if the progress is, actually, slower than required by the act.

22 In Bihar, the student to teacher ratio, as measured in 2010, is 1:83. Saxena (2010) estimates that India is short of 1.2 million teachers—17% of schools have just one teacher; Uttar Pradesh does not have a single teacher in more than 1,000 primary schools, and roughly 15% teaching posts lie vacant in schools across Maharashtra, with this figure rising to 42% in Jharkhand.

## POLICY RECOMMENDATIONS

Whilst recommendations such as education vouchers remain beyond the scope of this paper, it recommends basic, structural changes that, in the light of what has been analysed here, would make spending more efficient and transfer expenditure decisions into the hands of schools in order to enable them to make informed decisions rather than perpetuate coping mechanisms, as discussed earlier. Decentralisation policies, then, remain essential.

## DECENTRALISATION

In their comparative analysis of health system decentralisation in Ghana, Zambia, Uganda, and the Philippines, Thomas J Bossert and Joel C Beauvais argue that the benefits of decentralisation include: improvement of allocative efficiency by allowing the mix of services and expenditures to be shaped by local user preferences; improvement of technical efficiency through greater cost consciousness at the local level; service delivery innovation through experimentation and adaptation to local condition; improved quality, transparency, accountability, and legitimacy owing to user oversight and participation in decision making; and, greater equity through distribution of resources toward traditionally marginal regions and groups. (Bossert & Beauvais 2002, 14)

Decentralisation, however, is a rather nebulous term, and is, thus, generally seen as a single activity of granting authority from the central national government and state governments to other agencies at the periphery of the national system. The authors, therefore, use Rodinelli (1981)'s framework for analysis and devise a four category typology which categorises decentralisation as deconcentration—when the shift in authority is to regional or district offices with the central ministry; devolution—when the shift is to state, provincial, or municipal governments; delegation—when semi-autonomous agencies are granted new powers; and, privatisation—when ownership is granted to private entities. (Ibid., 15) The Indian education delivery system is, in letter, decentralised, but is not so in spirit. Officials closest to the schools, such as Block Education Officers (BEOs), have the capacity to detect problems, but do not have the power or incentives to address them. In “Quis custodiet ipsos custodes: Who monitors the monitors”, Mehjabeen Jagmag, a research analyst at Accountability Initiative, lists reasons that impede the functioning of a monitoring system, resulting in officers adopting tokenistic measures of supervision. These include: no method to monitoring—the BEOs and BRCCs reported monitoring schools randomly, and, indeed, based on newspaper reports on schools

with significant problems; modest feedback and marginal impact—a lack of provisions to measure the level of input BRCCs and CRCCs put into schools or the outcomes of these suggestions result in headmasters refraining from asking for feedback, and officers restraining from offering supervision; and, quick-fix solutions—the BRCC’s role in the accountability mechanism is severely compromised, leaving no scope for the officer to hold a headmaster accountable for his work, nor report any misappropriation of funds from a school. (Jagmag 2012, 18)

Whilst the SSA guidelines envisaged a degree of decentralisation, with SMCs set up to function as monitors at the community level, social asymmetries and a compromising of SMC members’ ability to monitor schools due to their presence as a part of the larger fabric of the community, severely hamper the performance of SMC members. As noted earlier, despite a push to improve monitoring and the efficacy of accountability mechanisms by the RTE, the aforementioned Princeton report finds no consistent relationship between the presence of functioning SMCs and statewide learning outcomes. In 2011, for example, DISE reported that only 3% of schools in Goa reported SMCs, but the state scored extremely well on learning outcome measures. Similarly, Punjab, Madhya Pradesh, and Karnataka reported 90% or more schools as having functioning SMCs, but show widely varying learning outcomes. These statistical findings are corroborated by anecdotal evidence from interviews conducted by the Princeton research team, wherein it is observed that parents had been selected for participation in the SMCs based, purely, on proximity of their homes to the schools. Some parents also stated that they went to the meetings only at the headmasters’ request, whilst others recalled the meetings mostly for the snacks provided. Whilst asking parents to oversee educational delivery might be useful for promoting civic engagement, there is evidence, as noted earlier, that participants on these committees might not have the requisite time to devote resources sufficient to overcome more systemic problems of public education, especially in the most resource-strapped of areas. (Princeton 2013, 31)

In the report, Jagmag recommends the addressal of certain concerns, which are worth reproducing here in full: **hold monitors accountable**—selection of schools to be monitored, timeliness of official visits, and veracity of monitoring reports need to be monitored at every level; **measure monitoring outcomes**—monitoring reports need to be collated, assessed, and acted upon, with the data thus collected followed up on and its impact on improving learning outcomes assessed regularly; **empower monitors to generate solutions**—block-and-cluster-level officials have been entrusted with the power to suggest changes, but not to facilitate them, whilst SMC members are mandated to observe discrepancies and report them to local authorities, without making these authorities accountable towards the SMC or the school;

**make monitoring reports and results publicly accessible**—the social benefits of a functioning monitoring system could spill beyond improving the teaching-learning ability of a school and influence the learning dynamics of the community, which makes it necessary to share the outcomes of these reports with ABRCs or the schools monitored. (Jagmag 2012, 18-21) In conjunction with these reforms, it is also worth considering the aforementioned study conducted in Karnataka and Kerala, which found that an overwhelming proportion of CRCCs and BRPs (72.7% and 77.8% in Karnataka; and, 66.7% and 86.1% in Kerala) felt that the work load on them was quite heavy. Moreover, 48.9% of CRCCs in Kerala and 44.4% in Karnataka also reported feeling the pressure of balancing administrative and academic tasks. (Tara, Kumar & Ramaswamy 2009) Therefore, although this paper has no concrete solutions to recommend in this regard, except perhaps considering linking performance with pay, as it recommends with teachers (see below), this is a study that must be analysed, perhaps even expanded to other states, to evaluate if BRCCs and CRCCS are, indeed, being delegated more work than they are able to manage.

In "Making Primary Education Work for India's Rural Poor: A Proposal for Effective Decentralization", Lant Pritchett and Varad Pande consider the question of decentralisation; specifically, they seek to answer the question: "if a state of India has chosen to devolve real responsibility for basic education to PRI (Panchayat Raj Institutions) bodies, what is the most desirable arrangement of the functions, fund flows, and functionaries so that this devolution leads to improved learning achievements?" (Pritchett & Pande 2006) The authors argue, perhaps contrary to the Princeton team's findings, that the systemic problems of rural government primary schooling in India arise due to a lack of accountability. Accountability, which is defined as a "relationship among actors that has five features: delegation, finance, performance, information about performance, and enforceability". (Ibid., 10) Analysing the existing structure, as observed in 2006, the authors conclude that: education reform proposals must be judged against the criterion of cost-effectively improving the level and distribution of learning achievement; education can be improved with decentralisation if increased autonomy can be matched with greater accountability; the state should be responsible for setting standards for learning achievement, monitoring performance, and disseminating information; the district should be responsible for "planning, coordination of asset creation, hiring and providing technical and pedagogical support to teachers"; the operation of schools should be conducted at the lowest level, with devolution of considerable autonomy; and, that decentralisation creates an opportunity for substantial reduction of per-student cost of instruction and for the improvement of quality. (Ibid., 21) Utilising four traditional public finance criteria—economies of scale, scope of the externality, equity, and heterogeneity of demand—the authors recommend an allocation of activities for rural primary education in the nation. Dividing activities into planning, asset creation, standard setting, operation, and

monitoring and evaluation, they recommend that, amongst other measures, teacher hiring and training be performed by the district, whilst monitoring of individual student progress and payment of salary be performed by the school.<sup>23</sup> However, they stress that any form of decentralisation that would weaken the ability of a higher level jurisdiction to set learning achievement standards and monitor their fulfilment could possibly only lead to a greater level of malfeasance and corruption than observed presently.

## TEACHER RECRUITMENT REFORMS

As their central reform, however, Pritchett & Pande (2006) recommend, “in conjunction with decentralisation to the PRIs of responsibilities for the functions of elementary the current cadre of teachers be gradually replaced by a **District Professional Teacher Cadre** (DPTC), which is not a para-teacher scheme and not simply a replication of previous attempts at devolving control”. (Ibid., 49) Under their proposal, which seems worth considering, and which this paper recommends, newly hired teachers would have a three phase career track, with all existing teachers in government schools having their terms of employment ‘grandfathered’—no change would be made to their existing contracts, with the policy change applying only to new teachers. In Phase I, a teacher is ‘Shiksha Karmis’ (SK; apprentice)—a phase in which a teacher, to enter, must be approved by the Zila Parishad as eligible, be recommended by a GP, and also fulfil certain basic technical requirements, as specified by the district. From the pool of SKs, teachers can be chosen by a school for an assignment—a process that happens locally, with, perhaps, SMCs responsible for the assignments of teachers. This phase is, essentially, a “probationary, training and learning phase for aspiring teachers”. (Ibid., 50) After a period of five to seven years, the SK can apply to become an “Adhyapak” (teacher; associate)—a decision regarding which will depend on a performance evaluation of the teacher, as based on inputs received from the school(s), peer input, and a technical review conducted by the district. In Phase III, selected outstanding Adhyapaks can be promoted to “Maha-Adhyapaks” or Masters—a reward for sustained outstanding performance of exceptionally good teachers, as based, again, on a comprehensive criteria, as outlined above. The transitions between phases would, naturally, involve substantial increments in salary, perks, and prestige, serving as a reward for continued excellence in the field of education, which, as evidence shows, could be a key determinant of student test score performance, amongst other metrics. Karthik Muralidharan and Venkatesh Sundararaman, in “Teacher Performance Pay: Experimental Evidence from India”, present results from a randomised evaluation of a teacher incentive

---

23 See Table 8—“Recommended Allocation of Activities for Rural Primary Education in India”. (Pritchett & Pande 2006, 45)

programme implemented across a large representative sample of government-run rural primary schools in Andhra Pradesh, finding that, by providing bonus payments to teachers based on the average improvement of their students' test scores in independently administered learning assessments (with a mean bonus of 3% of annual pay), students in incentive schools performed significantly better than those in control schools by 0.28 and 0.16 standard deviations in mathematics and language tests, respectively. (Muralidharan & Sundararaman 2009, Abstract)<sup>24</sup> Unlike the government school system, teachers would receive employment security only in Phase II, thus ensuring that incompetent educationists are not engaged in teaching over a long period, whilst retaining the professional nature of the teaching profession.

Evidence from public spending on education and health in Uganda, as evaluated by Emmanuel Ablo and Ritva Reinikka in a World Bank Policy Research Working Paper, demonstrates that budget allocations alone can be misleading in explaining outcomes and making policy decisions, when institutions are weak. Following the release of their survey results, monthly transfers of public funds were reported in the media; school-based procurement replaced the central supply of construction and other materials; and, an effort was made to institute basic public accounting systems in the public sector—all relevant suggestions worth considering. Moreover, the authors' central finding of allocations becoming less relevant in a context wherein institutions remain comparatively weak is an important one for India, wherein, as seen in this paper, the education delivery system remains poorly institutionalised, and expenditures are correlated more with learning outcomes than allocations. Actual service delivery, therefore, is much worse than budgetary allocations because public funds do not reach the intended facilities as expected, and hence outcomes cannot improve—as corroborated by the PAISA Report's findings, as reported earlier. (Ablo & Reinikka 1998)

---

24 In a similar, negative-incentive programme, Esther Duflo and Rema Hanna found that, by linking teacher salary to attendance, verifying the latter by asking one of the children to photograph the teacher and other students at the beginning and end of the school day using a camera with a tamper-proof time and date function, teacher absence, as measured in 60 informal, one-teacher schools in rural India, changed from an average of 43% to 24%, and test scores in programme schools improved by 0.17 standard deviations, with children in these schools 43% more likely to be admitted into regular schools. (Duflo & Hanna 2006; "Monitoring Works: Getting Teachers to Come to School", <http://courses.cs.washington.edu/courses/cse590f/06au/docs/pa1.pdf>, accessed 27th June)

## PRIVATISATION AND COMMUNITY FINANCING

In “Education Policy Reforms”, Erwin R Tiongson points out the following policy reforms: expenditure reform—relocation of targeted spending from higher to lower levels of education through a mix of public and private support, including public support for private education in low income areas; financial reform—user fees (cost recovery), community financing (community responsibility for construction and maintenance), direct supply to those who demand education rather than to those who supply it to strengthen the client’s power over providers, and demand-side financing; and, management and institutional reforms—decentralising the administration of education, and delegating power to local lower institutional structures (as discussed earlier). Reimers (2000) suggests that it might be useful to think about education in terms of ‘level of educational opportunities’, ranging from initial access to schooling through progression and completion to assimilation into local labour markets. Following this typology, then, one could think of education reforms as specific interventions aimed at selected levels of educational opportunity.

In conclusion, therefore, this section recommends decentralisation through holding monitors accountable, measuring monitoring outcomes, empowering monitors to generate solutions, and making monitoring reports and results publicly accessible, whilst recognising that the administrative work on BRCCs and CRCCS, amongst other lower-level officers, would have to be evaluated so as to not hamper the efficacy of the structural reform recommended herein. Linking the performance of these officers with their pay, incentivising efficient administration, could perhaps be considered an efficacious solution. Moreover, these officers must be empowered to report to district-level officers their concerns, following which districts could further divide the work by creating new offices empowered to carry out the functions of these officers. This paper also recommends dividing activities into planning, asset creation, standard setting, operation, and monitoring and evaluation, whilst ensuring that, amongst other measures, teacher hiring and training be performed by the district, whilst monitoring of individual student progress and payment of salary be performed by the school. Then, this paper recommends transitioning to a District Professional Teacher Cadre, which, by linking promotions, and, by extension, pay, to performance, incentivises committed educationists, whilst aiding the students, and the sector, by segregating the performing teachers, who will get promoted following the first phase, from the non-performing ones. In order to encourage transparency, this paper also recommends the public reportage of monthly fund transfer; empowering schools with the decision-making power to procure relevant infrastructural implements, rather than basing it on a top-down decision as encouraged by the current, centralised system; and, instituting basic accounting systems in the public education sector.

Broadly, it is also worth considering: expenditure reform—relocation of targeted spending from higher to lower levels of education through a mix of public and private support, including public support for private education in low income areas; financial reform—user fees (cost recovery), community financing (community responsibility for construction and maintenance), direct supply to those who demand education rather than to those who supply it to strengthen the client’s power over providers, and demand-side financing; and, management and institutional reforms—decentralising the administration of education, and delegating power to local lower institutional structures. On balance, perhaps, it is also worth analysing the contribution of the RTE to the education sector, since this paper has found, as noted earlier, evidence on why there is no linkage between inputs, which the RTE emphasises, and learning outcomes; between functioning SMCs, which the act envisages to meet the aim of decentralisation, and learning outcomes; and, between spending on the infrastructural norms, which encourages ‘coping mechanisms’ at the lowest levels, and efficacy of school administration.

## CONCLUSION

In conclusion, therefore, this paper analysed inefficiencies in allocation and spending in the Indian education sector. Initially, in the introduction, the paper laid out the principal scheme(s) of the Union Government, before introducing the research question. Then, the paper analysed the flow of funds through the various channels as prescribed by the HRD Ministry's guidelines, outlining the panoply of schemes and budget heads under which education money is administered and allocated. Subsequently, the paper adopted a micro-level view—examining whether schools received their money—and a macro-level one—examining where the money actually went—before suggesting certain policy recommendations, as noted in research studies of similar programmes in other countries, in order to improve transparency and decentralise education service delivery.

## REFERENCES

Ablo, Emmanuel, & Reinikka, Ritva. 1998. *Do Budgets Really Matter? Evidence from Public Spending on Education and Health in Uganda*. Accessed on 5<sup>th</sup> July at <http://elibrary.worldbank.org/doi/pdf/10.1596/1813-9450-1926>.

Accountability Initiative. 2012. *Do Schools Get Their Money? PAISA 2012*. Accessed on 5<sup>th</sup> July at [http://www.accountabilityindia.in/sites/default/files/state-report-cards/paisa\\_report\\_2012.pdf](http://www.accountabilityindia.in/sites/default/files/state-report-cards/paisa_report_2012.pdf).

Aiyar, Yamini, Kapur, Avani, & Mukherjee, Anit. 2011. *Unpacking India's Education Budget: PAISA 2010*. Accessed on 13<sup>th</sup> July at <http://www.accountabilityindia.in/accountabilityblog/1990-unpacking-india%E2%80%99s-education-budget-paisa-2010>.

Bossert, Thomas J., & Beauvais, Joel C. 2002. *Decentralization of health systems in Ghana, Zambia, Uganda, and the Philippines: a comparative analysis of decision space*. Accessed on 4<sup>th</sup> July at <http://heapol.oxfordjournals.org/content/17/1/14.full.pdf+html>.

CAG. 2006. *Performance audit report on 'Sarva Shiksha Abhiyan (SSA)*. Accessed on 4<sup>th</sup> July at [http://www.icisa.cag.gov.in/performance%20audit/Performance%20Audit%20Reports/Performance%20Audit%20Report%20on%20%E2%80%98Sarva%20Shiksha%20Abhiyan%E2%80%99\(SSA\)%20i.e%20Universal%20Elementary%20Education%20Scheme/introduction.pdf](http://www.icisa.cag.gov.in/performance%20audit/Performance%20Audit%20Reports/Performance%20Audit%20Report%20on%20%E2%80%98Sarva%20Shiksha%20Abhiyan%E2%80%99(SSA)%20i.e%20Universal%20Elementary%20Education%20Scheme/introduction.pdf).

IMF. *Unproductive Public Expenditures: A Pragmatic Approach to Policy Analysis*. Accessed on 13<sup>th</sup> July at <https://www.imf.org/external/pubs/ft/pam/pam48/pam48.pdf>.

Jagmag, Mehjabeen. 2012. *Quis custodiet ipsos custodes: Who monitors the monitors? PAISA 2012*. Accessed on 4<sup>th</sup> July at [http://www.accountabilityindia.in/sites/default/files/state-report-cards/paisa\\_report\\_2012.pdf](http://www.accountabilityindia.in/sites/default/files/state-report-cards/paisa_report_2012.pdf).

Mukherjee, Anit N., & Sikdar, Satadru. 2012. *Public Expenditure on Education in India by the Union Government and Roadmap for the Future*. Accessed on 4<sup>th</sup> July at [http://www.idfc.com/pdf/report/2012/Chapter\\_2.pdf](http://www.idfc.com/pdf/report/2012/Chapter_2.pdf).

Muralidharan & Sundararaman. 2009. *Teacher Performance Pay: Experimental Evidence From India*. Accessed on 13<sup>th</sup> July at <http://www.nber.org/papers/w15323.pdf>.

Princeton University. 2013. *Lessons in Learning: An Analysis of Outcomes in India's Implementation of the Right to Education Act*. Accessed on 13<sup>th</sup> July at [http://www.princeton.edu/rpds/papers/Hammer\\_Policy\\_Workshop\\_Spring2013.pdf](http://www.princeton.edu/rpds/papers/Hammer_Policy_Workshop_Spring2013.pdf).

Pritchett, Lant, & Pande, Varad. 2006. *Making Primary Education Work for India's Rural Poor: A Proposal for Effective Decentralization*. Accessed on 12<sup>th</sup> July at [http://www.teindia.nic.in/Files/Articles/Articles\\_23feb12/pritchett\\_pande\\_decentralization\\_education\\_india.pdf](http://www.teindia.nic.in/Files/Articles/Articles_23feb12/pritchett_pande_decentralization_education_india.pdf).

Raghavan, TCA Sharad. 2014. *Why the government's recent report on educational outcomes is misleading*. LIVEMINT. Accessed on 5<sup>th</sup> July at <http://www.livemint.com/Opinion/VZiX6IGcf4gxsoutWDibDN/Why-the-governments-recent-report-on-educational-outcomes-i.html,%20accessed%205th%20July>.

Saxena, Shobhan. 2010. *Missing teachers are India's weakest link*. THE TIMES OF INDIA. Accessed on 13<sup>th</sup> July at <http://timesofindia.indiatimes.com/home/stoi/deep-focus/Missing-teachers-are-Indias-weakest-link/articleshow/6497202.cms>.

Sreeja, VN. 2013. *Cash-Strapped Indian Government Slashes Its Education Budget By 6% To Meet Fiscal Deficit Target*. INTERNATIONAL BUSINESS TIMES. Accessed on 13<sup>th</sup> July at <http://www.ibtimes.com/cash-strapped-indian-government-slashes-its-education-budget-6-meet-fiscal-deficit-target-1489066>.

Tara, S. Nayana, Kumar, NS Sanath, & Ramaswamy, S. 2009. *Effectiveness of academic support structures for elementary education in two Southern states of India*. Accessed on 13<sup>th</sup> July at <http://www.freepatentsonline.com/article/European-Journal-Management/260792635.html>.

Tiongson, Edward R. *Education Policy Reforms*. Accessed on 4<sup>th</sup> July at <http://siteresources.worldbank.org/INTPSIA/Resources/490023-1120845825946/Education.pdf>.

## APPENDIX

**Table 2A—List of schemes of the MHRD, 2011-12.**

<b>Elementary Education</b>	<p>1. National Programme of Mid-Day Meals in Schools; 2. Sarva Shiksha Abhiyan; 3. Strengthening of Teachers Training Institutions; 4. Scheme for Providing Quality Education in Madrassas; 5. Mahila Samakhya; 6. Scheme for Infrastructure Development in Minority Institutions; 7. National Bal Bhawan, New Delhi.</p>
<b>Secondary Education</b>	<p>1. Rashtriya Madhyamik Shiksha Abhiyan; 2. Navodaya Vidyalaya Samiti; 3. Kendriya Vidyalaya Sangathan; 4. Scheme for Setting Up of 6,000 Model Schools at Block Level as Benchmark of Excellence; 5. Information and Communication Technology in Schools; 6. Scheme for Construction and Running of Girls' Hostel for Students of Secondary and Higher Secondary Schools; 7. National Council of Educational Research and Training; 8. Inclusive Education of the Disabled at Secondary Stage; 9. National Merit-cum-Means Scholarship Scheme; 10. National Scheme for Incentive to Girls for Secondary Education; 11. Central Tibetan Schools Administration; 12. Vocationalisation of Education; 13. National Institute of Open Schooling; 14. Access and Equity; 15. Appointment of Language Teachers; 16. Other Programmes.</p>
<b>University, Higher Education and Distance Learning</b>	<p>1. University Grants Commission; 2. Improvement in Salary Scale of University and College Teachers; 3. Educational Loan Interest Subsidy; 4. Provision for University and Higher Education (for the Benefit of North-Eastern Areas and Sikkim); 5. Scholarship for College and University Students; 6. Indira Gandhi National Open University; 7. Indian Council of Social Science Research; 8. Establishment of Tribunals, Accreditation Authority, National Commission of Higher Education and Research, and National Finance Corporation; 9. Assistance to State Governments for Degree Colleges; 10. Indian Council of Historical Research; 11. Rural Universities/National Council of Rural Institutes; 12. Indian Institute of Advanced Study, Shimla; 13. Indian Council of Philosophical Research; 14. Shastri Indo-Canadian Institute; 15. Commonwealth of Learning; 16. Scholarship to Students from Non-Hindi Speaking States/Union</p>

	<p><b>Territories and Other Scholarships; 17. Provision for Distance Learning (including Scholarships) (for the Benefit of North-Eastern Areas and Sikkim); 18. Other Programmes.</b></p>
<p><b>Technical Education</b></p>	<p><b>1. Indian Institutes of Technology; 2. National Institutes of Technology; 3. Assistance to States for Upgradation of Existing/Setting Up of New Polytechnics; 4. Indian Institutes of Science for Education and Research; 5. Setting Up of New Indian Institutes of Technology (Erstwhile Setting Up of Three New Ones); 6. Provision for Technical Education (for the Benefit of North-Eastern Areas and Sikkim); 7. Indian Institute of Science, Bangalore; 8. Technical Education Quality Improvement Project of Government of India; 9. All India Council for Technical Education; 10. Indian Institutes of Management; 11. Community Polytechnics; 12. Indian School of Mines, Dhanbad; 13. Women’s Hostels in Polytechnics; 14. National Institutes of Technical Teachers’ Training and Research; 15. National Institute for Industrial Engineering, Mumbai; 16. Indian Institute of Information Technology, Design and Manufacturing, Kancheepuram; 17. Setting Up of New Indian Institutes of Management; 18. Scholarships/Apprenticeship Training; 19. Indian Institute of Information Technology, Allahabad; 20. Polytechnics for Disabled Persons; 21. Indian Institute of Information Technology, Gwalior; 22. Indian Institute of Information Technology, Jabalpur; 23. National for Foundry and Forge Technology (sic); 24. School of Planning and Architecture, Delhi; 25. Sant Longowal Institute of Engineering and Technology; 26. Board of Apprenticeship Training; 27. Central Institute of Technology, Kokrajhar; 28. New Indian Institutes of Information Technology; 29. New Schools of Planning and Architecture; 30. Indian National Digital Library in Engineering Science and Technology; 31. Setting Up of New National Institutes of Technology; 32. Training and Research in Frontier Areas; 33. Expansion and Upgradation of State Engineering Institutions; 34. Setting Up of Indian Institute of Engineering, Science and Technology; 35. North Eastern Regional Institute of Science and Technology, Itanagar; 36. Other Programmes.</b></p>

<b>Others</b>	<p><b>1. National Mission in Education through Information and Communication Technology; 2. Adult Education and Skill Development Scheme; 3. Support to Non-Governmental Organisations/Institutions/State Resource Centres for Adult Education and Skill Development; 4. Provision for Information and Communication Technology (for the Benefit of North-Eastern Areas and Sikkim); 5. Rashtriya Sanskrit Sansthan; 6. Directorate of Adult Education; 7. National Literacy Mission Authority; 8. Directorate of Hindi; 9. Appointment of Language Teachers; 10. Kendriya Hindi Shikshan Mandal; 11. National Council for Promotion of Urdu Language; 12. Central Institute of Indian Languages and Regional Language Centres; 13. National Council for Promotion of Sindhi Language; 14. Central Institute of Classical Tamil, Chennai; 15. Rashtriya Ved Vidya Pratisthan; 16. Provision for Development of Languages (for the Benefit of North-Eastern Areas and Sikkim); 17. Book Promotion; 18. Indian National Commission/United Nationals Educational, Scientific and Cultural Organisation; 19. Planning Norms; 20. Administration; 21. Other Programmes.</b></p>
---------------	--

**Source: GoI (2011) as cited in Mukherjee & Sikdar (2012)**

**Table 2C—List of Schemes of the MHRD, by Group**

<b>Group I</b>	<p><b>Enrolment Increasing Scheme</b></p> <p><b>(213,930 million)</b></p>	<p><b>1. National Bal Bhawan, New Delhi; 2. Sarva Shiksha Abhiyan; 3. Rashtriya Madhyamik Shiksha Abhiyan; 4. National Institute of</b></p>
----------------	---	---

		Open Schooling; 5. Access and Equity; 6. Indira Gandhi National Open University.
<b>Group II</b>	<b>Dropout Reducing Scheme (103,047.3 million)</b>	1. National Programme of Mid-Day Meals in Schools; 2. National Merit-cum-Means Scholarship Scheme; 3. Educational Loan Interest Subsidy; 4. Commonwealth of Learning; 5. Scholarship to Students from Non-Hindi Speaking States/Union Territories and Other Scholarships; 6. Scholarship for College and University Students; 7. Book Promotion; 8. Scholarships/Apprenticeship Training.
<b>Group III</b>	<b>Quality Improving Scheme (20,314.6 million)</b>	1. Strengthening of Teachers Training Institutions; 2. National Council of Educational Research and Training; 3. Information and Communication Technology in Schools; 4. Vocationalisation of Education; 5. Appointment of Language Teachers; 6. National Mission on Teachers and Training; 7. National Mission in Education through Information and Communication Technology; 8. Directorate of Hindi; 9. Commission for Scientific and Technical Terminology; 10. Kendriya Hindi Shikshan Mandal; 11. National Council for Promotion of Urdu Language; 12. Central Institute of Indian Languages and Regional Language Centres; 13. National Council for Promotion of Sindhi

		Language; 14. Central Institute of Classical Tamil, Chennai; 15. Rashtriya Sanskrit Sansthan; 16. Rashtriya Ved Vidya Pratisthan; 17. Education in Human Values.
<b>Group IV</b>	<b>Equity in Education (11,678.9 million)</b>	1. Mahila Samakhya; 2. National Scheme for Incentive to Girls for Secondary Education; 3. Scheme for Construction and Running of Girls Hostels for Students of Secondary and Higher Secondary Schools; 4. Women's Hostels in Polytechnics; 5. Inclusive Education of the Disabled at Secondary Stage; 6. Polytechnics for Disabled Persons; 7. Adult Education; 8. Adult Education and Skill Development Scheme; 9. Support to Non-Governmental Organisations/Institutions/State Resource Centres for Adult Education and Skill Development; 10. National Literacy Mission Authority; 11. Other Programmes in Adult Education.
<b>Group V</b>	<b>Institutional Grant (212,943.7 million)</b>	
<b>Group Va</b>	<b>School Education (50,129.3 million)</b>	1. Scheme for Providing Quality Education in Madrassas; 2. Scheme for Infrastructure Development in Minority Institutions; 3. Kendriya Vidyalaya Sangathan; 4. Navodaya Vidyalaya Samiti; 5. Scheme for Setting Up of 6,000 Model Schools at Block Level as Benchmark of Excellence; 6. Central Tibetan Schools Administration.

<b>Group Vb</b>	<b>Higher Education</b> <b>(162,814.4 million)</b>	
<b>Group Vb(i)</b>	<b>University Grants Commission</b> <b>(89,274.1 million)</b>	<b>University Grants Commission.</b>
<b>Group Vb(ii)</b>	<b>Non-Technical Higher Education</b> <b>(16,140.7 million)</b>	<b>1. Indian Council of Social Science Research; 2. Indian Council of Historical Research; 3. Rural Universities/National Council of Rural Institutes; 4. Indian Institute of Advanced Study, Shimla; 5. Indian Council of Philosophical Research; 6. Shastri Indo-Canadian Institute; 7. Indian National Commission/United Nations Educational, Scientific and Cultural Organisation; 8. Indian Institutes of Management; 9. Indian School of Mines, Dhanbad; 10. Board of Apprenticeship Training; 11. New Schools of Planning and Architecture; 12. Setting Up of New Indian Institutes of Technology; 13. Indian Institutes of Science for Education and Research; 14. Setting Up of New Indian Institutes of Management; 15. Training and Research in Frontier Areas.</b>
<b>Group Vb(iii)</b>	<b>Technical Higher Education</b> <b>(57,399.6 million)</b>	<b>1. Community Polytechnics; 2. Indian Institutes of Technology; 3. Indian Institute of Science, Bangalore; 4. Indian Institute of Information Technology, Gwalior; 5. Indian Institute of Information</b>

		<p>Technology, Jabalpur; 6. Indian Institute of Information Technology, Design and Manufacturing, Kancheepuram; 8. National Institute for Industrial Engineering, Mumbai; 9. National Institute for Foundry and Forge Technology; 10. School of Planning and Architecture, Delhi; 11. National Institutes of Technical Teachers' Training and Research; 12. Sant Longowal Institute of Engineering and Technology; 13. Technical Education Quality Improvement Project of Government of India; 14. Central Institute of Technology, Kokrajhar; 15. Indian National Digital Library in Engineering Science and Technology; 16. Upgradation of Existing/Setting Up of New Polytechnics; 17. Assistance to States for Upgradation of Existing/Setting Up of New Polytechnics; 18. Setting Up of New National Institutes of Technology; 19. All India Council for Technical Education; 20. National Institutes of Technology; 21. North Eastern Regional Institute of Science and Technology, Itanagar.</p>
--	--	---

**Source: GoI (2011) & Mukherjee & Sikdar (2012)**

