

# **The per capita expenditure on students of classes I-XII in government schools by the Government of Delhi NCT**

For the period 2000-01 to 2003-04

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The amount spent, per child, which is the pursuit of this paper can act as an indicator of the government's commitment towards each student. Government schools in Delhi cater to educating roughly 22 lac students<sup>1</sup> each of whom the government ends up spending huge amounts of money clearly. The budgeted amount for The Directorate of Education for the year 2003-2004 (the last audited year for the Delhi Government) was Rs 127803 lac inclusive of capital expenditure<sup>2</sup>. So the logical move from this point would be to actually say that if those are the given numbers then clearly the government spends Rs 5809.2 per student per capita. This would be a simplistic approach to accounting but since the government does not account for education all in one place this approach can be misleading. Which is the reason why we shall look at different per capita figures, which will look at the amount spent on primary and secondary education and also the government's ability to estimate its expenditure and to also actually deliver it.

## PROVISION OF EDUCATION BY THE GOVERNMENT

"The educational facilities are provided in stages i.e. pre-primary, primary, middle, secondary, senior secondary and university level. Pre-primary and primary educations are mainly the responsibility of the local bodies. Directorate of Education, Government of Delhi, primarily looks after secondary and senior secondary education. Although pre-

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<sup>1</sup> Government of The National Capital Territory of Delhi. *Economic Survey of Delhi 2003-2004*. Planning Department, Government of The National Capital Territory of Delhi.

<sup>2</sup> Government of The National Capital Territory of Delhi. 2003. *Detailed Demand for Grants of the Government of The National Capital Territory of Delhi 2003-04*

primary and primary education is mainly the responsibility of the local bodies, the Govt. of Delhi has converted its 326 schools into composite schools now known as Sarvodaya Vidyalayas having classes from I to XII”.

<http://edudel.nic.in/directorate.html>

A popular misconception among people is that there is a government school and children go there and study from nursery to the XII. This is not the case really except as mentioned above in the case of Sarvodaya Vidyalayas .How it really works is a child is enrolled into a primary school, which is usually run by the Municipal Corporation of Delhi (MCD), the New Delhi Municipal Corporation (NDMC) or the Delhi Cantonment Board (DCB), which are the relevant local authorities who provide education at the primary level up to the fifth standard. Beyond which they have to transfer to a school run by the Government of Delhi, which is responsible for the middle and secondary aspect. Apart from the problems, which arise in terms of the transfer itself, the other thing that arises is that now we realize that they are accounted for differently. Which means there are different sums spent on children in different sections of schooling.

### **Target classes**

- Classes I-V per capita expenditure by local bodies
- Classes VI-XII per capita expenditure by Delhi state government

For convenience this study shall only concentrate on the MCD and not the other two since the MCD covers roughly 1833 schools as compared to NDMC, which has 61 schools<sup>3</sup>. Also there are MCD aided and government aided schools, for which data is unavailable and hence have been ignored.

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<sup>3</sup> Accessed online at <http://edudel.nic.in/directorate.html> on 24 May 2005

## FLOW OF FUNDS

The flow of funds for education is a little complex and needs to be looked at very carefully. This is how it works. The central government gives the state of Delhi a certain grant, which the state government then gives to its respective departments for the execution of their planned schemes. Three departments spend towards education in the Delhi government. The department of education, social welfare and public works being the departments in question. Also there are apart from the regular kinds of expenditure of revenue and capital, there are other categories, which are, plan and non-plan and voted and charged.

On the expenditure side, the various departments provide initial estimates. There are two components of expenditure - *plan* and *non-plan*. Of these, plan expenditures are estimated after discussions between each of the departments concerned and the Planning department.

Apart from allocations for continuing plan programmes initiated in earlier fiscal year, the Planning department decides on the new programmes that can be undertaken on the basis of a tentative estimate or resources available for plan expenditure that is provided to it by the finance department.

The financial advisors prepare non-plan expenditures for various departments. These are sent to the expenditure secretary who, after exhaustive discussions with financial advisors, makes an assessment of the likely expenditures for the ensuing fiscal year.<sup>4</sup>

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<sup>4</sup> Accessed at <http://www.rediff.com/money/2004/jun/30stage.htm> on 27 May 2005

Expenditure, which under the provisions of the Constitution is subject to the vote of the Legislature, is shown in the accounts separately from expenditure, which is "Charged" (on the Consolidated Fund of India or of a State or Union Territory Government). The expression "Charged" or "Voted" shall be given to the heads concerned to distinguish the two categories of expenditure.<sup>5</sup>

The budget of the Education Department classifies education expenditure under two main accounting heads, "General Education" and "Technical Education". The former comprises school education, higher education, adult education and a few other sub-sectors pertaining to language development and miscellaneous educational activities. Technical Education comprises mainly engineering education, while expenses for other professional education (such as medical colleges and agricultural colleges) are defrayed from the budgets of other ministries. Within school education, there is a further classification of expenditure into elementary and secondary education. Expenditure on elementary education in the budget refers to expenses on primary and upper primary schools. Primary schools provide classes 1-4 or classes 1-5, depending on the duration of the primary cycle in different states. Upper primary schools provide classes 1-7 or classes 1-8, again depending on the duration of the entire elementary cycle. Expenditure on secondary education in the budget refers to high schools and higher secondary schools, some of which may include classes of the elementary cycle. However, most pupils enrolled at the elementary level, and most teachers employed at the elementary level are in primary and upper primary schools, so that the elementary education budgetary head captures most of the expenditure on the elementary cycle. Within the state government accounts there are further classifications in terms of grant in aid to the local bodies that is 'grant in aid to MCD' and 'grant in aid to NDMC'. These grants are then further classified into 'secondary' and 'primary'.

Budgetary expenditures for each sector are classified into two broad categories: those on revenue account and those on capital account. Revenue account disbursements show

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<sup>5</sup> Accessed online at <http://ingaf.org/book3/chapter3.htm> on 12 May 2005

the expenditure on salaries and allowances, contingencies, grants-in-aid and maintenance outlays. The capital account incorporates incremental capital expenditure, on construction and equipment. Almost 99% of the expenditure of the Education Department is incurred on the revenue account. However, this does not mean that all expenditure on education is of a recurrent nature and that no investment has taken place. A part of revenue expenditure, including grants-in-aid to local bodies and schools, encompass investments of a capital nature in buildings and equipment. More importantly, much of the capital expenditure on school education, particularly elementary education, is incorporated in the budgets of other departments, notably the public works department.<sup>6</sup>

Now both the government and the MCD finance their expenditures on education through two channels. The government through, the grant it gets from the center and the taxes it raises and similarly the MCD through the grants it gets from the Delhi government and the taxes it raises.

For the education sector in each state, there are multiple sources of finance: the state's own receipts (tax revenues and non-tax revenues), the statutory transfers of the Central governments, the block assistance for the state plan and the CSS of the Central Ministry of Human Resource Development. Clearly, a state's ability to finance its existing education infrastructure and its further development depends partly on its own resources, and partly (for new activities, increasingly) also on the fiscal position of the Central government. The latter will affect the block assistance for the state plan as well as the funds released under the various CSS of the Centre's Education Department.

Which means now we need to look more closely at the accounts of all these bodies that are responsible for the provision of these services. The Government of Delhi accounts its

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<sup>6</sup> Basheer Sajitha. (2000). *Government Expenditure On Elementary Education In The Nineties*. European Commission

expenditure in the *Detailed Demand for Grants of the Government of The National Capital Territory of Delhi*, the Municipal Corporation of Delhi records its expenditure in *Non-plan Expenditure Budget of the Municipal Corporation of Delhi*.

The government data on enrollment was used which acted as the denominator which was obtained from the respective authorities that is the Government of Delhi for secondary and MCD for primary education. Coverage, quality of data, comprehensiveness and their availability in the desired form are overlooked.

So to find how much actually is spent on the children that the government claims to be spending on we have to look at the accounts of these two bodies closely.

Accounts of the Delhi government comprehensively handle the plan and the non-plan aspect of expenditure incurred on secondary schooling. Whereas when it comes to primary education merely planned expenditure is recorded in the Delhi government accounts. Non-plan expenditure is accounted for in their own accounts. What was found over the period of this study was that the Delhi government itself was clueless as to how the funds, which they gave the municipal department, were being used, as no or late record are given of how the plan amount has been spent.

The planning and management of education at the state level suffers from many limitations and inadequacies due to this fractured method of functioning and do not reflect fully the ground level reality. Weak monitoring and evaluation systems are also the consequence of lop sided approach to planning and management of education.

## METHODOLOGY

Regardless of which let us now look at the documents, which are the basis of the study in itself. The list of documents that we shall be using to study the three-year period is as follows

1. Annual plan 2001-02 NCT of Delhi Sector/Department/scheme wise plan outlay
2. Annual plan 2002-03 NCT of Delhi Sector/Department/scheme wise plan outlay
3. Annual plan 2003-04 NCT of Delhi Sector/Department/scheme wise plan outlay
  
4. Detailed Demand for Grants of the Government of National Capital of Territory of Delhi 2003-04
5. Detailed Demand for of the Government of National Capital of Territory of Delhi Grants 2004-05
6. Detailed Demand for Grants of the Government of National Capital of Territory of Delhi 2005-06
  
7. Finance Accounts Grants Government of National Capital of Territory of Delhi 2001-02
8. Finance Accounts Grants Government of National Capital of Territory of Delhi 2002-2003
9. Finance Accounts Grants Government of National Capital of Territory of Delhi 2003-2004
  
10. Non-Plan Expenditure Budget for the Municipal corporation of Delhi 2001-02
11. Non-Plan Expenditure Budget for the Municipal corporation of Delhi 2002-03
12. Non-Plan Expenditure Budget for the Municipal corporation of Delhi 2003-04

Since the Government functions in a two-tier fashion, the requirement for the expenditure values of primary schools from both sources is the first obstacle to be crossed.

Primary Education:

Plan component:

To calculate the value of the per capita figure would require us to look at all the expenditures in the accounts recorded under elementary education (major head 2202).<sup>7</sup>

This would basically include

- Assistance to local bodies
- Teachers training
- Textbooks
- Other expenditure

These are what are known as the minor heads in the government accounting jargon. Each government account is divided into major heads, sub major heads, minor heads, sub minor heads, detailed heads and object heads. The object head is the expenditure on the actual use of the money for example salaries, are an object head.

To understand the first part of the account that we are going to consider let us look at the first entry, 'Assistance given to local bodies'. This entry includes grant in aid given to MCD, NDMC and DCB. Since we will be studying the MCD alone we will ignore grants given to the other two. We will consider here only the plan amount since the non-plan amount received by the MCD is included in the non-plan expenditure accounts of MCD.

Second the amount spent on 'Teachers Training' and 'Textbook' is usually in kind that is the government doesn't give the amount to the MCD but the schools receive the texts in kind.

The fourth and last item in the account is 'Other expenditure' which includes schemes such as:

- Free supply of uniform for students

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<sup>7</sup> Government of The National Capital Territory of Delhi.2003. *Detailed Demand for Grants of the Government of The National Capital Territory of Delhi 2003-04*

- Free supply of uniform for students (scp)
- Free transport facilities to girls in rural areas
- Free transport facilities to girls in rural areas (scp)
- Scheme to be implemented by directorate
- Scheme to be implemented by directorate through National association for the blind
- Environmental orientation to school education
- Cell and assistance to specialised Institution programmes
- Operation black board
- Financial assistance for modernisation of madarasas
- Indira mahila yojana
- Vocation education at lower level
- Sarva Shiksha Abhiyaan

You might instantly recognize some of the Centrally Sponsored Schemes (CSS) instantly, like Operation black board, Sarva Shiksha Abhiyaan etc. other expenditure therefore is always plan since it usually covers CSS.

The next addition to be made is the heading of Nutrition (major head 2236), which include the mid day meal schemes. The relevant entries in our case here are:

- Grants to MCD for mid day meal programmes
- Grants to MCD for mid day meal programmes (scp)
- Grants to MCD for extension of mid day meal

This too is plan expenditure.

#### Scholarship

Scholarships are also handed out which are either specific or of a general nature

- General scholarship
- Other scholarships
- Merit scholarship to sc/st students (scp)

- Open merit scholarship to sc/st students (scp)
- Scholarship to educationally backward minorities

## CAPITAL EXPENDITURE

Also we have to include the capital expenditure on schools (under major head 4202)<sup>8</sup>, which is again a plan component. This entry is made under Capital Outlay On Education, Sport, and Art and Culture.

## PUBLIC WORKS DEPARTMENT

The public works department too spends on education and their plan component is included. This entry too is made under Capital Outlay On Education, Sport, and Art and Culture (major head 4202)<sup>9</sup>. The account is as follows:

Elementary education

Construction of buildings for middle schools

This covers the plan component of the primary education section for the non-plan component we need to look at the respective non-plan document of the local bodies.

## NON-PLAN COMPONENT:

All non-plan expenditure incurred by the MCD is accounted in 'The Non-Plan Expenditure Budget Of The Municipal Corporation Of Delhi'. The relevant heads are:

HEADS (figures in lacs)

General Supervision and Administration (A)

Education Officer Estt. (I)

Contingencies (II)

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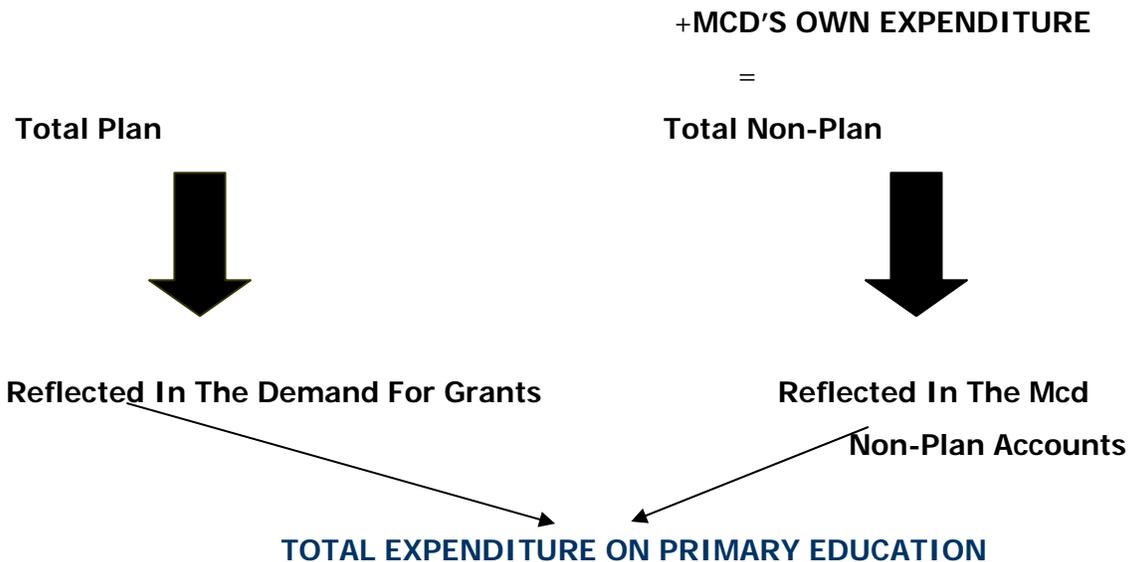
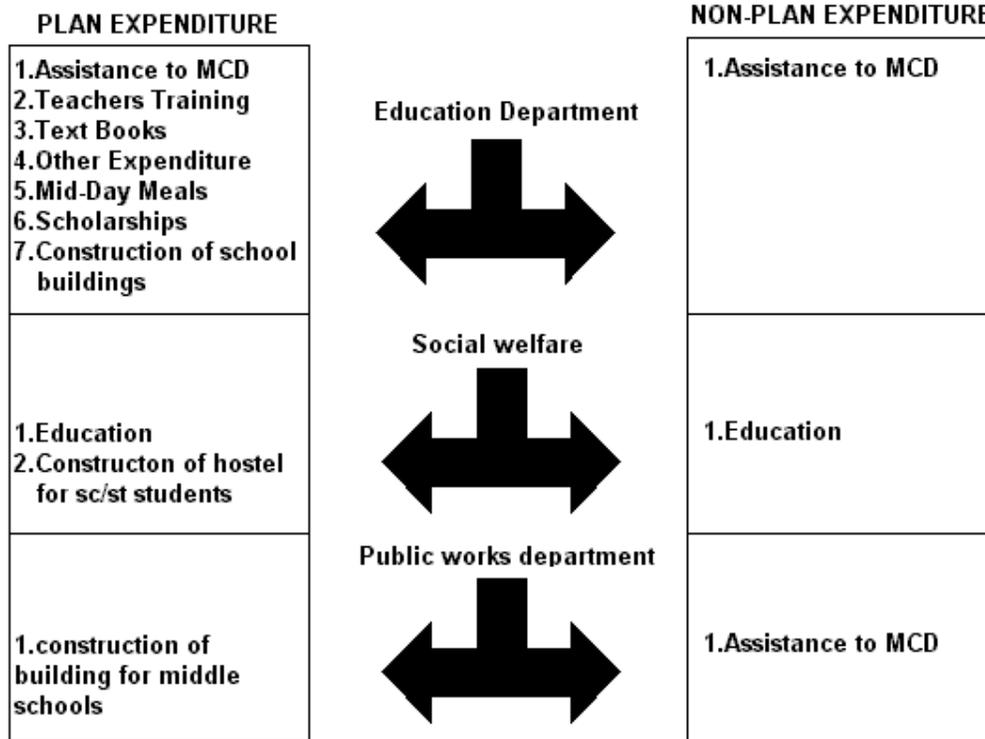
<sup>8</sup> Government of The National Capital Territory of Delhi.2003. *Detailed Demand for Grants of the Government of The National Capital Territory of Delhi 2003-04*

<sup>9</sup> Government of The National Capital Territory of Delhi.2003. *Detailed Demand for Grants of the Government of The National Capital Territory of Delhi 2003-04*

Up keep of vehicles (III)  
Municipal Primary Schools (B)  
Estt. (I)  
Contingencies (II)  
Supply of free books to poor students (III)  
Supply of uniform to children (IV)  
Study tours and excursions (V)  
Common examination for V (VI)  
Spectacles for needy children (VIII)  
School band (IX)  
Scholarship to school children (X)  
Departmental publication (XI)  
Teachers day celebrations (XII)  
Greenery and plantation in schools (XIII)  
Job oriented training (XIV)  
Ad hoc provision for water, electricity & toilet facility in schools (XV)  
Ad hoc provision of for desks and furniture for students (XVI)  
Ad hoc provision of medicines for children (XVII)  
Moral education in primary schools (XVIII)  
Construction of school building (XIX)  
Supply of bags to school children (XX)  
Medical inspection of school (D)  
Estt. (I)  
Contingencies (II)  
Maintenance of medical record of children in MCD schools (III)  
Medicines (IV)  
Running expenses of Vehicles (V)  
Special school health check up programme (VI)  
Grant in aid to private schools (E)  
Repairs and maintenance (F)  
Physical education (H)

Estt. (I)  
 Contingencies (II)  
 Stores (III)  
 Sports and physical competitions cubs and bulbuls (IV)  
 Celebration of children's day basant mela and Festivals etc (V)  
 Improvement and provision of equipment (VI)  
 Supply of milk to under nourished and needy children in MCD schools (I)  
 Establishment (I)  
 Contingencies (II)  
 Stores (III)  
 Supply of midday meals to children (IV)  
 Miscellaneous (J)  
 Municipal contribution to PF (a)  
 Gratuity (b)  
 Contribution to pension fund (c)  
 Special repairing and conversion of dry latrines into water born in rented schools (K)  
 Play grounds (L)  
 Improvement in science teaching (M)  
 Estt. (I)  
 Contingencies (II)  
 Losses written off (N)  
 Teaching of history of freedom movement (O)  
 Purchase of literature & biography of Freedom fighters (I)  
 Scholarship to descendents of freedom fighters (II)  
 Acquisition of building of rented schools (P)

The above are inclusive of the non-plan grants given to the MCD by the Government Of Delhi.  
 Therefore the plan amount and the non-plan amount are added to get the total amount.  
 Which on dividing with the enrollment figures of the MCD will give us the required per capita figures.



Secondary education:

Plan component:

Here too there is a plan component and it refers to the amount set aside to implement plan expenditure according to schemes of the center.

Here we shall consider the following heads in the account of the education department:<sup>10</sup>

- Direction and administration
- Inspection
- Non-formal education
- Teachers training
- Text books
- Government secondary school
- Aid given to local bodies for secondary education
- Other expenditure

Direction and administration and inspection are two heads, which cover the running expenses of the department itself they include salaries and other expenses such as domestic travel allowances etc.

Non-formal education includes appointment of social workers and vocational educational programme.

Teachers' training includes awards given to teachers and grants in aid give to SCERT.

Textbooks will show you the allocation of money towards textbooks given in secondary schools.

The next component government secondary schools, shows the expenditure on the schools and contains the component of the salaries of the teachers.

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<sup>10</sup> Government of The National Capital Territory of Delhi.2003. *Detailed Demand for Grants of the Government of The National Capital Territory of Delhi 2003-04*

The last component is other expenditure, which like primary education is a list of schemes for which expenditure takes place, these schemes are:

Provision For Additional Schooling Facilities In Age  
Groups 11-14&14-17  
Opening /Strengthening Of Science Centre  
Cum Central Work Shop  
Provision Of Education And Vocational  
Guidance Service In School  
Educational Television  
Supervised instruction At Secondary Stage  
By Correspondence  
Subsidy For School Uniforms To The Students  
Improvement And Expansion Of Teaching Of  
Science At School Stage  
Investigatory Project / Estt. Of Science Museum  
Improvement Of School Libraries  
Free Transport facilities to Girl Students Of Rural Areas  
Strengthening The Bureau Of  
Education & Vocational Guidance  
Strengthening And Expansion Of Teaching Of Science  
Throughout School Stage\  
Study Camp /Study Centre  
Educational Tour  
Mobilisation of Community Resources for  
School Improvement programme  
Incentives To Best Student, School, Teachers  
School TV Production Studio  
Vocational Education In Schools  
Socially Useful Productive Work Subsidy

Other Missc Scheme  
Free Supply Of Uniform  
Free Transport facilities to Girl Students Of Rural Areas  
Opening Of New Middle Schools  
Provision Of Additional Schooling Facilities in The  
Age Group Of 14-17  
Study Camps/Study Centre For Students Residing  
In Rural Areas Jj Colonies  
Educational Tour Of Students  
Improvement Of Teaching Science Through Out School (Scp)  
Re Organisation And Expansion Of teaching Of Science  
Throughout School Stage  
Vocational Education In Schools  
Educational TV (Scp)  
Strengthening Of Correspondence Courses  
Educational and Vocational Guidance Services In  
School introduction of Computer Education In Schools  
Introduction Of Computer Courses In  
Government Model Schools  
Introduction Of Computer Courses In  
Government Model Schools (Scp)  
Vocational Schools For Running Courses Like Motor  
Driving, Plumbing, Electrical, Typewriting,  
Stenographer, T.V And Radio Repair  
Vocational Schools For Running Courses Like Motor  
Driving, Plumbing, Electrical, Typewriting,  
Stenographer, T.V And Radio Repair  
Vocationalisation Of Education  
Strengthening Of State Institute Of Vocational Education  
Setting Up Of Distt Vocational Training Centre  
Transport Facilities To Students at Subsidised Rates

Introduction Of Computer Science At +2 Level  
Bhagidari Of Management In Govt Schools

Non-plan

Each of the above-discussed schemes tends to incur expenditures under non-plan as well therefore the complication in terms of accounting is far reduced.

ACTUAL AND ESTIMATES:

In the accounts of the government the procedure followed is not the same as the regular double entry system that we are acquainted with. How it works is there are demands made by the government for grants where they estimate their expenditures for the year and these figures are recorded under the estimate head of the budget. While actual spending is recorded for a period where data of actual expenditure is available. The ability to predict this figure that is amount that will be spent is known as 'fiscal marksmanship'.

Also when one looks at the per capita figure one might be tempted to say that the government is quite good at predicting its expenditure. But an important thing to be kept in mind is that the difference between the actual and estimated is in lacs so if the difference in per capita is 1000 then the actual sum is 1000 lacs or 10 crores, which is a gross over estimation. Let us look at another figure of the Government of Delhi the total non-plan grant given to MCD in a year is roughly 10 crores, what this means is in a year the government was unable to spend the entire amount equivalent to all constructions of school buildings in a year. Lets look at a smaller figure for example 100 lacs that is 1 crores, which is the amount spent

ENROLLMENT FIGURES:

The enrollment figures obtained from the municipal corporation were 8,80,000 with minor fluctuations in thousands, which has been held at 8.8 lacs for convenience.

The enrollment figure for secondary schools is 9,02,327.

PER CAPITA FIGURES

The per capita figures obtained due to this procedure finally are:

| PRIMARY EDUCATION | Per Capita Figure<br>(In lacs) |
|-------------------|--------------------------------|
| <b>01-02</b>      | <b>5319.8</b>                  |
| <b>02-03</b>      | <b>5908.9</b>                  |
| <b>03-04</b>      | <b>5812.8</b>                  |

| SECONDARY EDUCATION | Per Capita Expenditure On Secondary Schooling<br>(In lacs) |
|---------------------|--|
| <b>01-02</b>        | <b>Actual 7569.6</b>                                       |
|                     | <b>Estimated 8769.9</b>                                    |
| <b>02-03</b>        | <b>Actual 7800.3</b>                                       |
|                     | <b>Estimated 8024.7</b>                                    |
| <b>03-04</b>        | <b>Actual 8417.7</b>                                       |
|                     | <b>Estimated 8514.6</b>                                    |

## **CONCLUSION:**

Now having arrived at these figures some interesting conclusion can be arrived at, which are these figures show that the government spends roughly 5,500 rupees on primary and roughly 8000 rupees on secondary schools.

With the same kind of money if we were to look at other providers of the same service, we would find a large variety of choices. If given to private schools this amount would be able to churn out higher quality students as compared to the average government school. Clearly its commitment towards the children of the state is impressive but to enhance the output with the same outlay the government clearly needs to look elsewhere. It is but obvious as a provider of a service it has failed miserably. With greater number of business houses looking at outsourcing their work, a model that the government could apply is to pay for the education of all these students but move away from its actual provision. This could be achieved using an education voucher which on presentation could be redeemed at any school of the students choice, be it government run or private. This would empower the citizen much more than currently. Therefore we would be funding the student rather than the school.

With the sheer size of the government and the complication involved in funding and running these institutions, efficiency is highly compromised. Officers themselves complain of huge knowledge gaps and lack of accountability on part of the fund receiving party. Budgeting officers complain that the people who are responsible at the grass root level are usually head masters or mistress' who usually lack any kind of administrative knowledge as far as government funding is concerned. To quote Mr. B.D Sharma Joint Director (budget) Department of Finance, Government of Delhi: "There is no dearth of money in the government, but what is lacking is a sense of responsibility towards spending this money properly, for whom it is meant for, the citizens themselves".

**NOTE ON THE APPENDICES:**

The appendices contain the accounts and the amounts that have been considered in the study.

Appendix I contains the accounts of the Delhi government and then the MCD accounts to avoid confusion, since the government accounts account in thousands and the MCD in lacs, the final amount of the government has been converted into lacs.

Appendix II contains the actual and budgeted amounts for the year 2001-02

Appendix III contains the actual and budgeted amounts for the year 2002-03

Appendix IV contains the actual and budgeted amounts for the year 2003-04

In the last three as well the final amounts in the grand total are in lacs.