

Analyzing the Indian Education Market

InfoSphere

A Centre for New Economics Studies Initiative

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INTRODUCTION

The New Education Policy (2020) aims to make “India a global knowledge superpower”.

In this *InfoSphere* Issue, we analyze the education sector from a macro level in India.

The Issue will feature the team’s analysis on:

1. Government Spending on Education & Role of Privatization in Education Sector
2. State’s Spending on Education and Their performance viz-a-viz Girl-child education
3. Relationship between ‘Education’ and ‘Employability:’ Widening *Acad-Ind* gap in India’s Labour Market
4. Impact of Teacher Training on Student Accomplishment

Glossary

Gross Enrolment Ratio (GER) - Number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education. It is useful to note that GER includes students of all ages. Therefore, with late/early enrolments, repetitions, GER can exceed 100%.

Net Enrolment Ratio (NER) - number of boys and girls **of the age of a particular level of education** that are enrolled in that level of education, expressed as a percentage of the total population in that age group.

Supply side issues in Education – access to education (government colleges and schools), student aid, learning outcomes, management and monitoring.

Elementary Education – Primary School (Class 1-5)

Secondary Education – High school or middle school (Class 6-9)

Acad-Ind Gap – Mismatch between academic education and industry requirements.

Education Planning in Post-Independent India

UGC set up under Dr. S.Radhakrishnan **(1948)**

Secondary Education Commission set up under Dr.A. Lakshmanaswami Mudaliar in **(1952)**

Kothari Commission, the Indian Education Commission set up in **(1964)**

First National Education Policy drafted **(1968)**

Redrafted in 1979; announced the **new National Education Policy (1986)** (Rajiv Gandhi Govt.)

Right to Education Act **(RTE) (2009)**

MHRD released **Draft New Education Policy (2019)**

New National Education Policy approved by cabinet **(2020)**

Higher Education – Flexible degrees and Multiple Exit options

Prioritising teacher Education - National Curriculum Framework for Teacher Education

Restructuring School education 5 (Foundational)+ 3 (Preparatory) +3 (Middle)+4 (Secondary)

Academic Bank for Credits – Digital storage of credits

Languages – Mother Tongue & Regional Languages till class 5

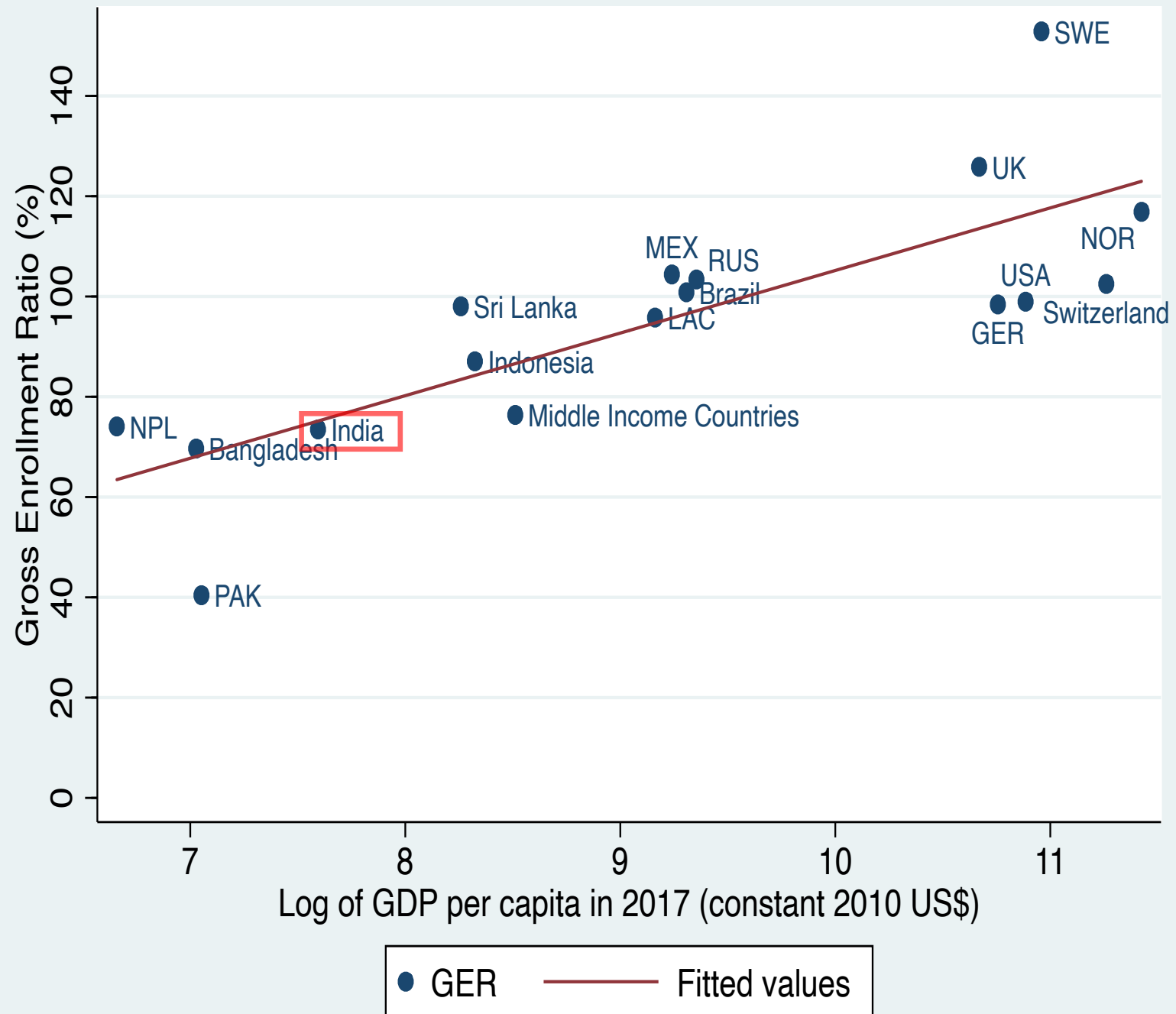
Gender Inclusion Fund – Assisting Female and transgender children

Cross-Country Comparison of Gross Enrollment Ratios in Secondary education

- While India does well compared to Bangladesh and Pakistan, **India lags substantially behind** all other developing economies.
- In 2017, in countries where the Per capita GDP was 1% higher, the predicted gross enrolment rates in secondary education are 0.125% higher, other things remaining constant.
- India's higher education market is highly lucrative for increased private investment as there is high demand for quality education. However, major issues lie in the secondary education segment due to **supply-side constraints**.

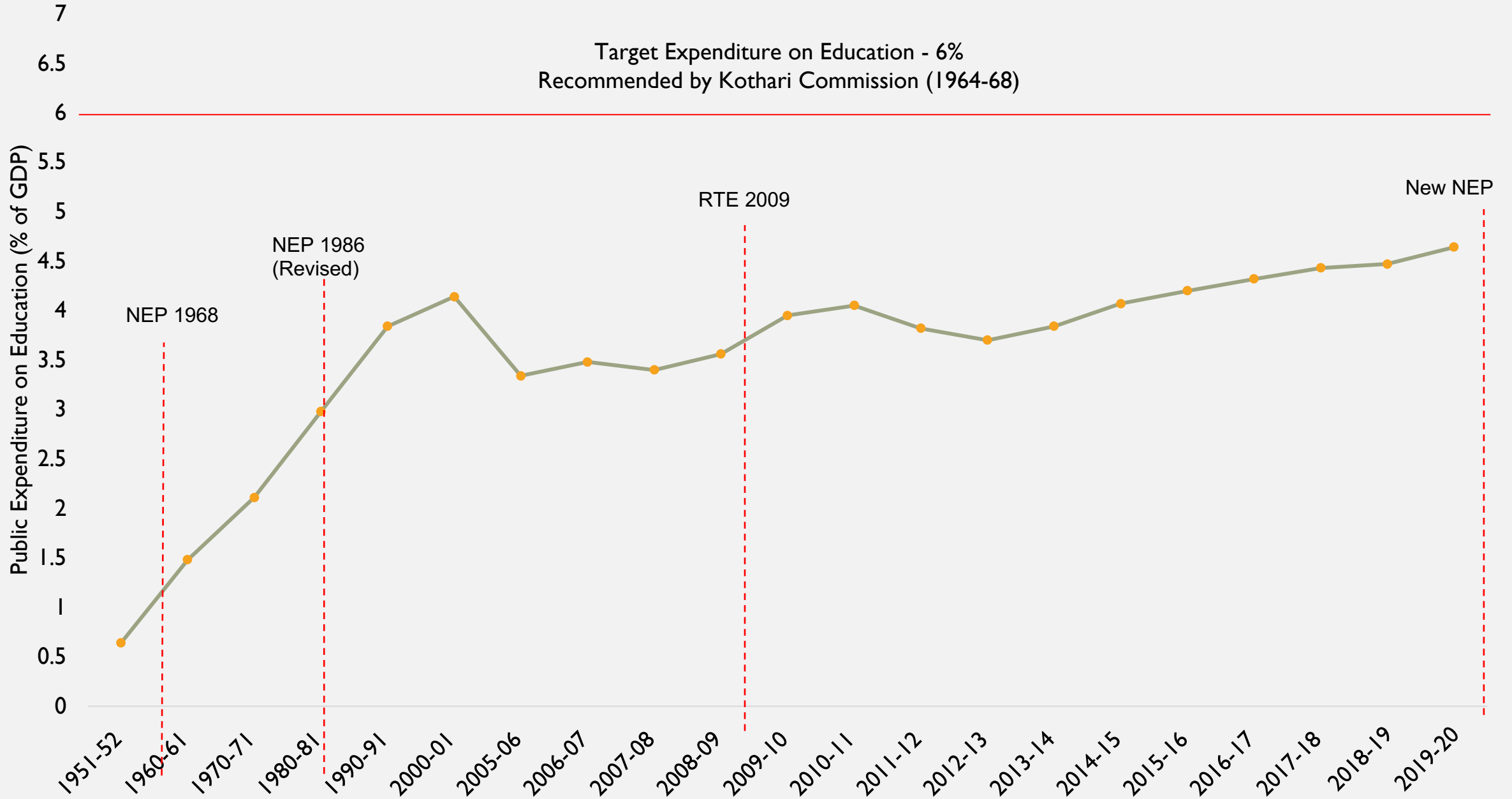
*Results are statistically significant at 95% level of confidence.

[Refer to regression output in the last page](#)



Public Expenditure on Education (as percentage of GDP)

Source: MHRD Budget Estimates



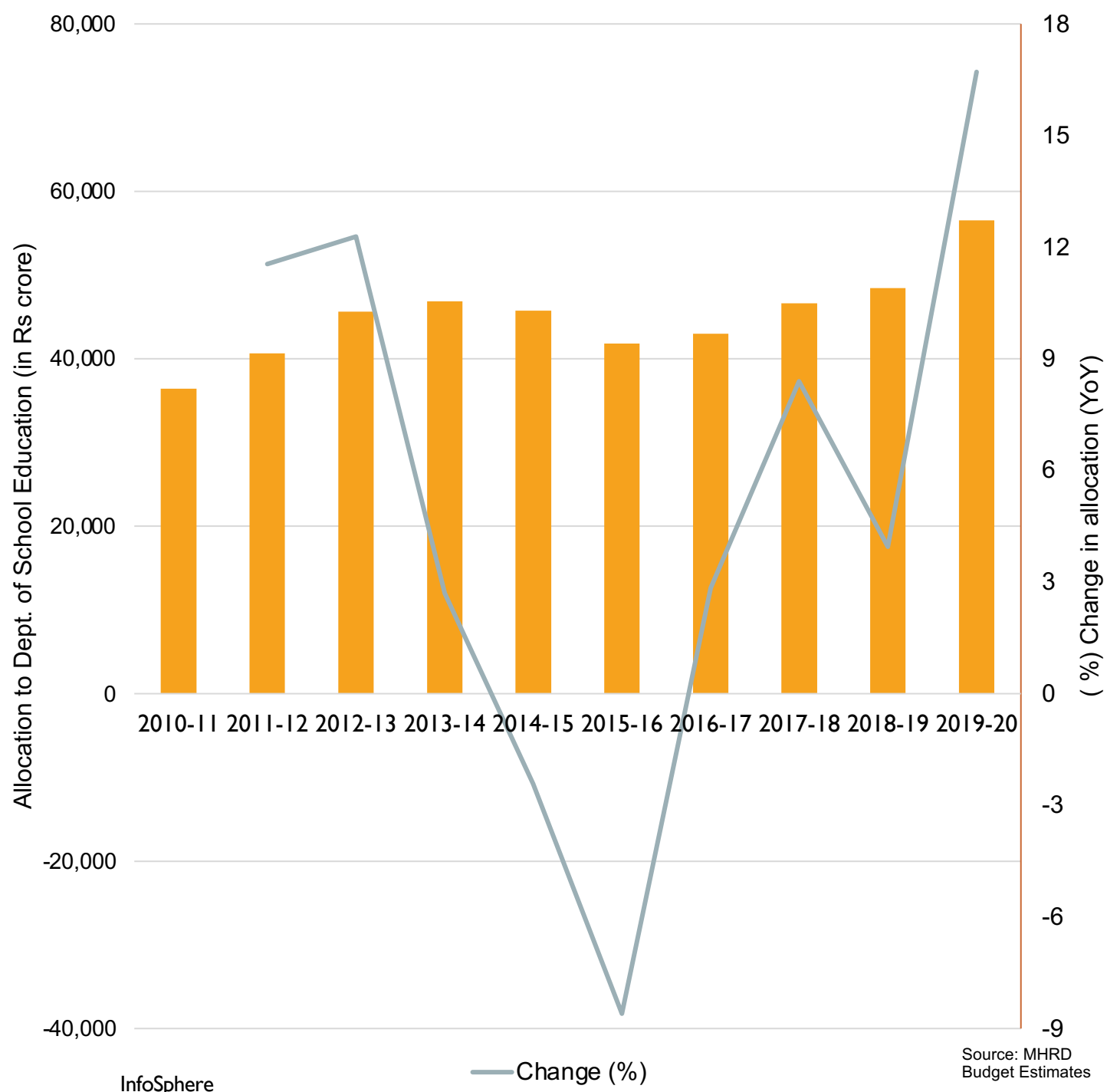
ALLOCATION TO DEPARTMENTS OF SCHOOL EDUCATION

- 2015-16 – **GOI released only 57% of Allocation** to Sarva siksha Abhiyan (SSA)
- Only **27% of States share** (on average, across states) **was released.**
- By September 2015, only **23% of approved plans were spent.**
- In July 2018, **Samagra Siksha Abhiyan (SMSA)** subsumed three schemes: (a) SSA (class 1-8); (b) Rashtriya Madhyamik Shiksha Abhiyan (class 9-12) and (c) Teacher Education.
- Under **SMSA only 71.27% of the RE- 2019-20 is spent** till January 2020. (Acc. to Report 312th report of standing committee on HRD)

To know more:

<https://www.prsindia.org/parliamenttrack/budgets/demand-grants-2020-21-analysis-human-resource-development>

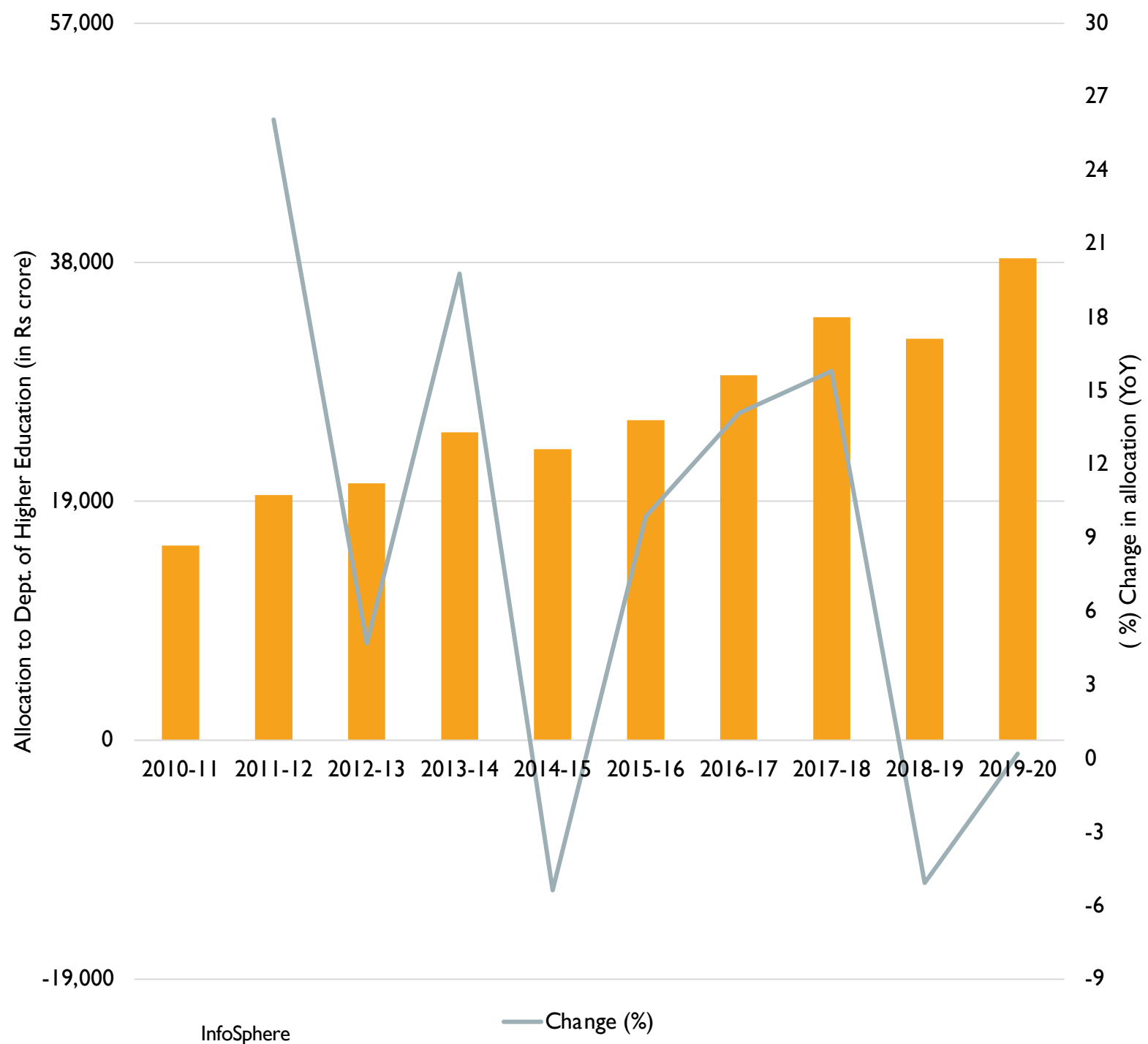
<https://cprindia.org/sites/default/files/policy-briefs/SSA.pdf>



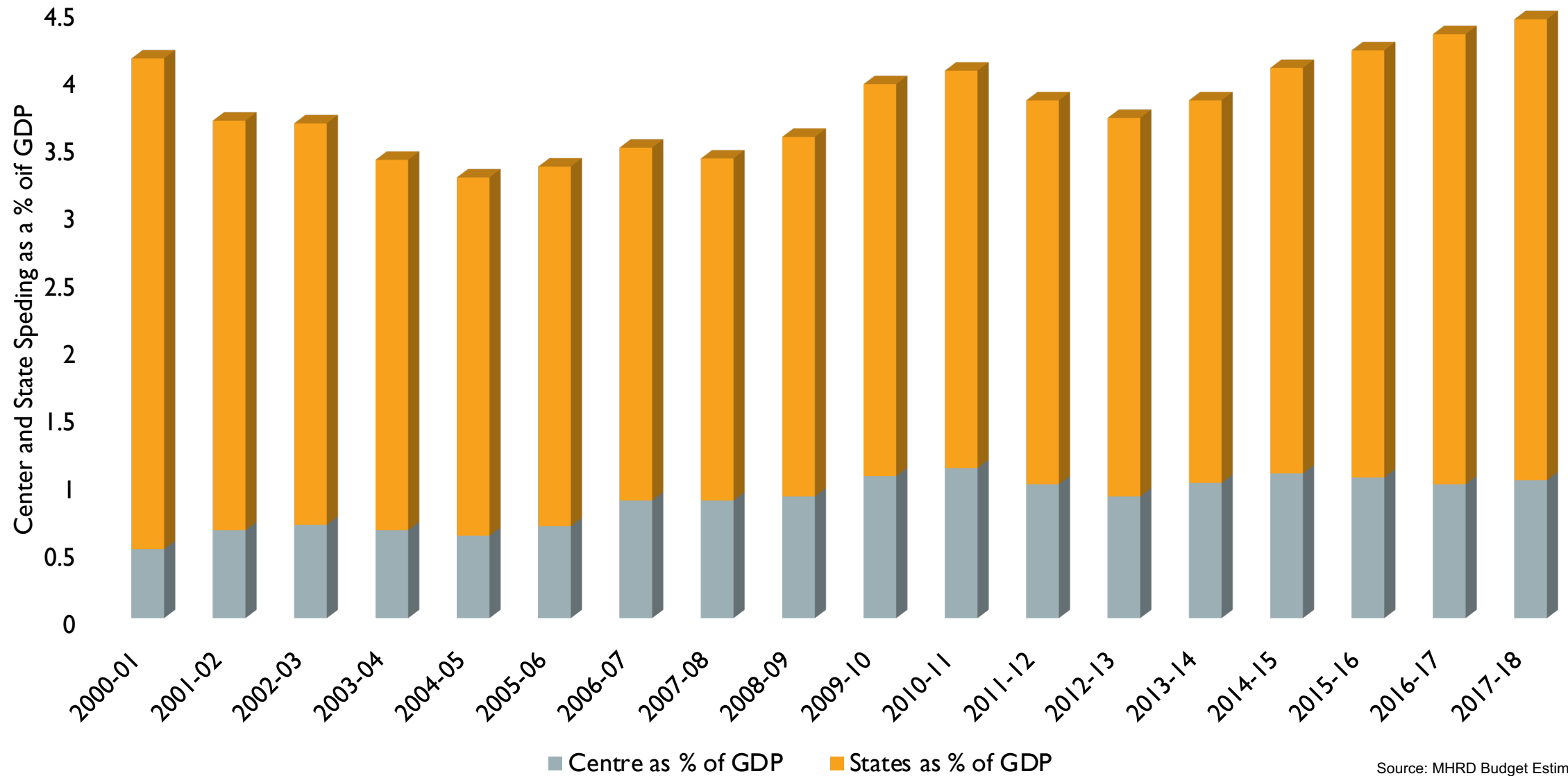
ALLOCATION TO DEPARTMENTS OF HIGHER EDUCATION

- About 51% of the Department's expenditure has been allocated to central universities (as grants), IITs, and statutory and regulatory bodies such as UGC.
- Majority of enrolment in higher education is handled by state universities and their affiliated colleges.
- 65% of the UGC's budget is utilised by central universities and remaining 35% is utilised by the States.
- State fund is left to be mobilised through contributions from Industry.

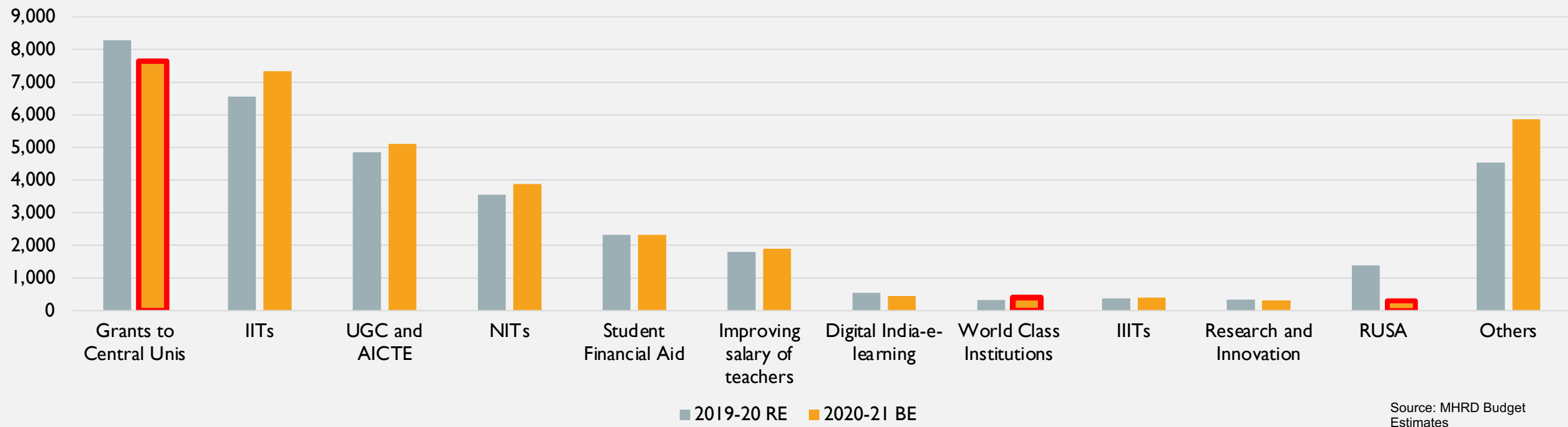
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Centre and State Spending on Education (as a percentage of GDP)



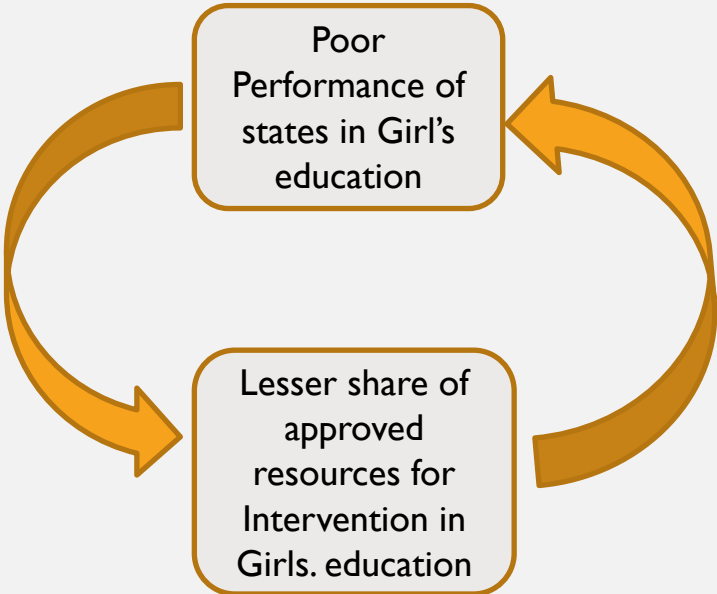
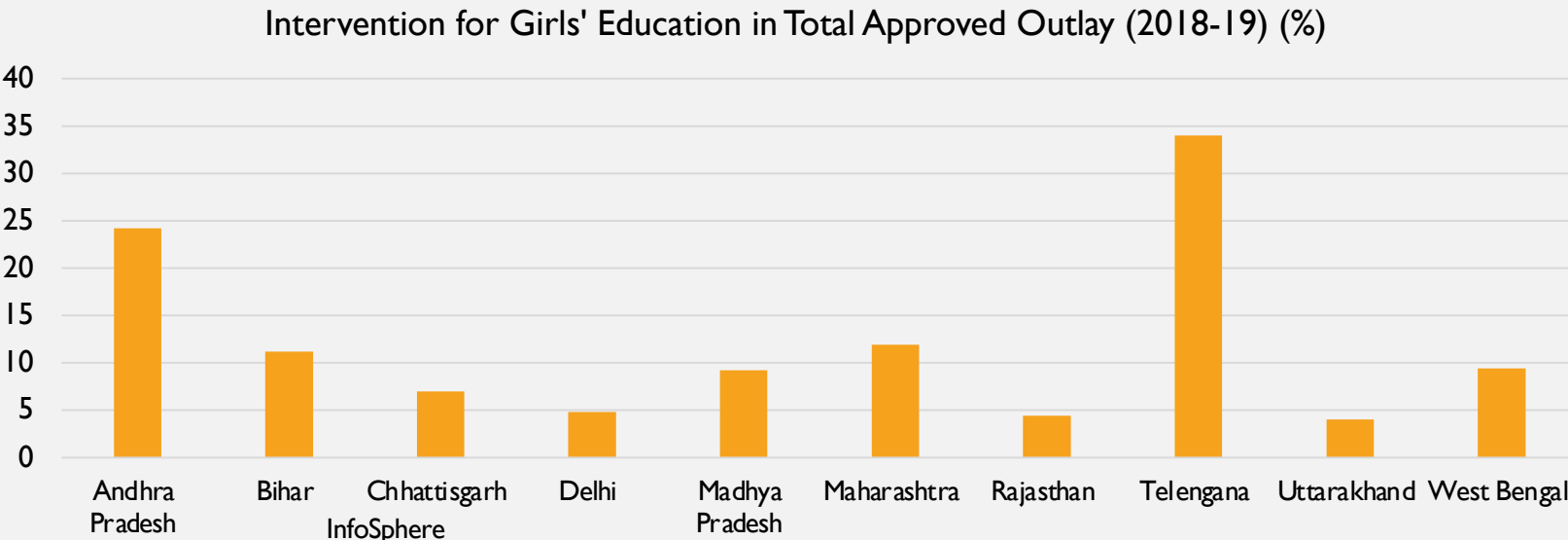
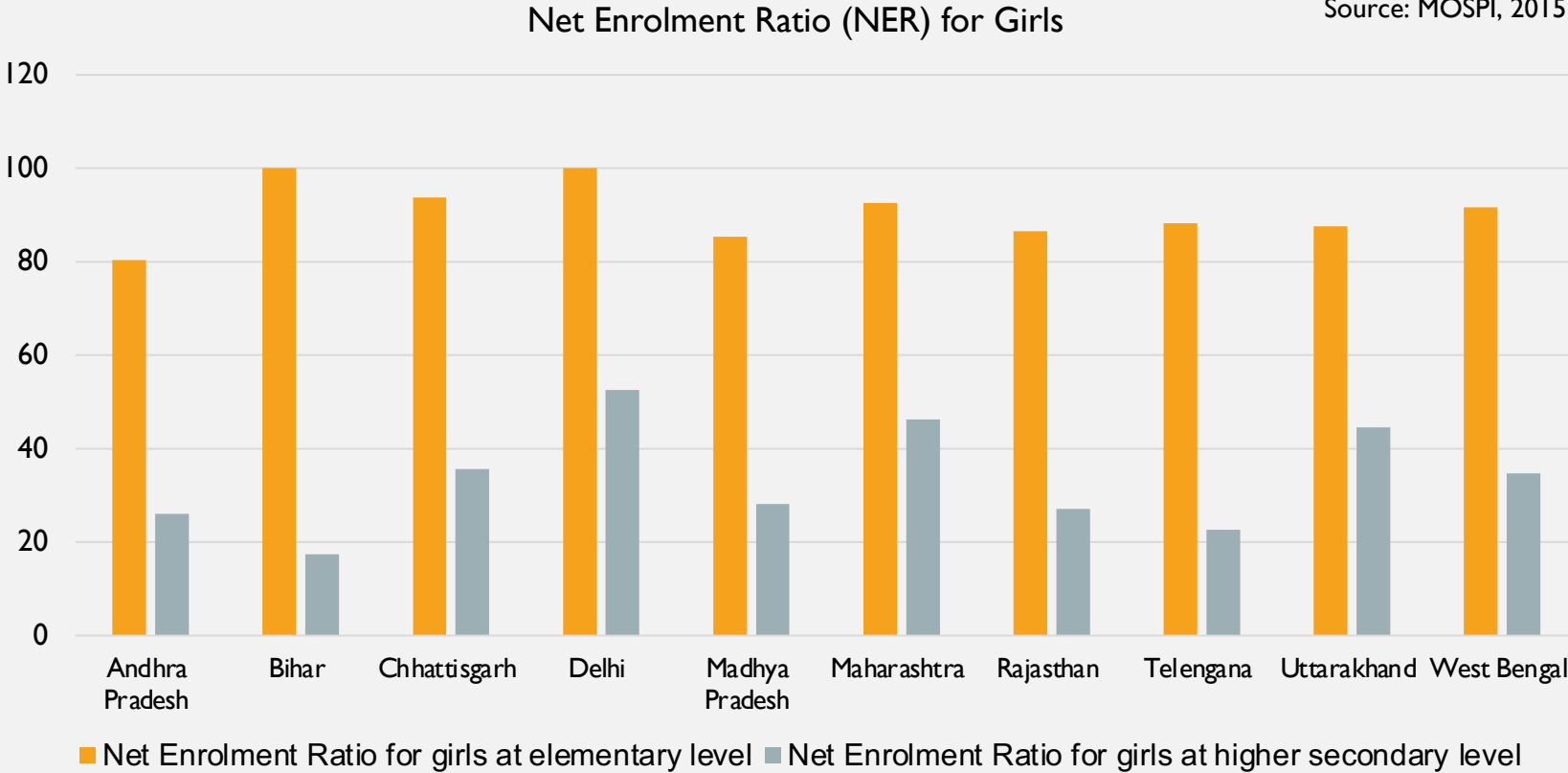
Allocation of Budget to Major Heads under the Department for Higher Education (2019-20 to 2020-21)(in Rs.Crores)



- Allocation to **World Class Institutions** in 2020-21 - **increase of 23%** from the revised estimates of 2019-20.
- GOI selected **10 private institutions** and 8 public institutions as institutes of eminence - greater autonomy in admitting foreign students, **fixing fees**, and recruiting foreign faculty.
- The funding allocation for **Rashtriya Uchchar Shiksha Abhiyan (RUSA)** has **significantly decreased by 78%**. The scheme aims to improve the overall **quality of existing state higher educational institutions**.
- Grants to central universities has also declined.
- Hence, we see gradual **Privatisation and tightening Centre-State relations** with falling allocations to states.

Performance of States vis-a-vis Girl-Child Education

- **Bihar, Rajasthan, Madhya Pradesh and Chhattisgarh** - performing poorly in terms of educational outcomes of girl children are also the states with lesser share of approved resources for girls' education.
- A part of the central release of funds to states for SMSA is performance linked.

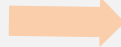


Consequences of Low budgetary Allocations

Low Budgetary Allocations



Slow paced release of funds from Centre



Lower Share of allocated funds released to States



States resort to market for funds (Privatisation)



Increase in Price of education



Low learning outcome for those being aided by govt.



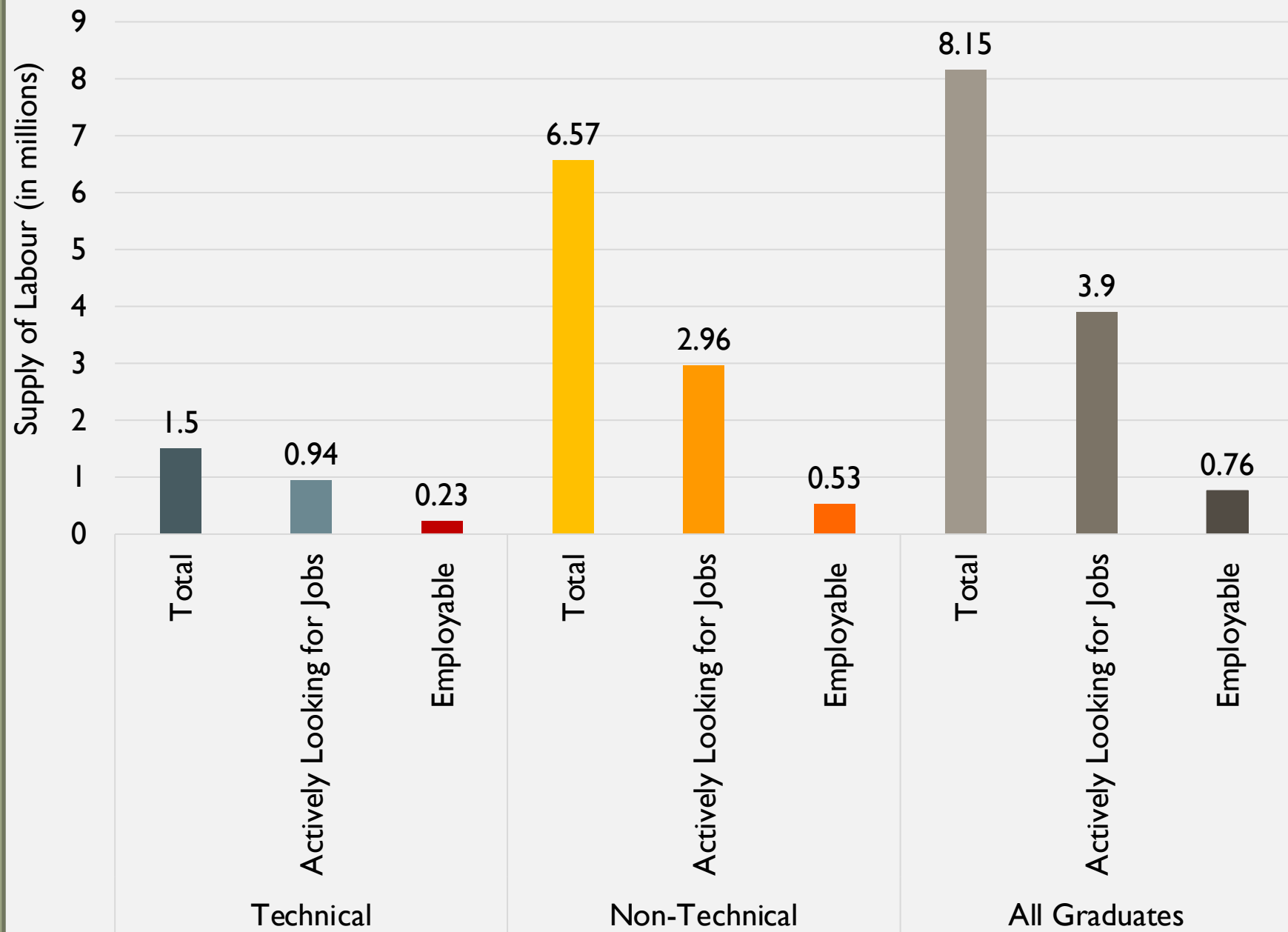
Acad-Industry Gap

Learning Outcome and Employment: Acad-Ind gap

- The graph represents the **supply side issues of quality and quantity in the educated labour market.**
- Gap in learning outcome and desired employment skills.
- Only 0.15 million technically qualified candidates are estimated to be employable out of the 0.78 million people supplied from technical streams in 2013.

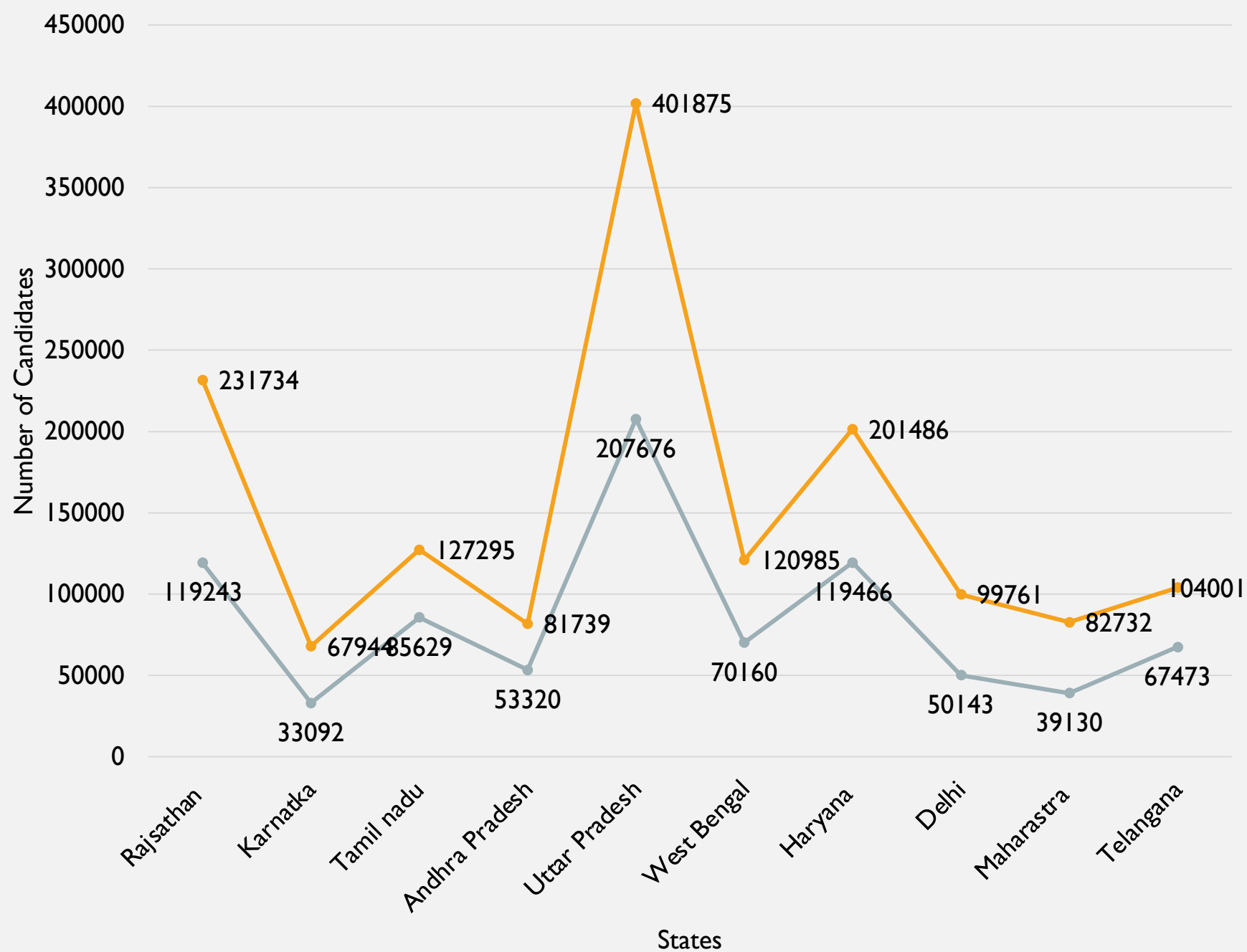
Read more: [NSDC NASSCOM Report](#)

Supply of Educated Labour



Pradhan Mantri Kaushal Vikas Yojana (PMKVY) Skill Investment vs. Outcome

- Launched in 2015 to promote skill development and employability among youth workforce.
- The Government of India had sanctioned an amount of Rs. 28,38,71,578 for year 2016-18 towards implementation of the State engagement components of PMKVY (2016-20).
- The graph shows the number candidates who have **successfully passed** the course and **number people who were able to find employment**.

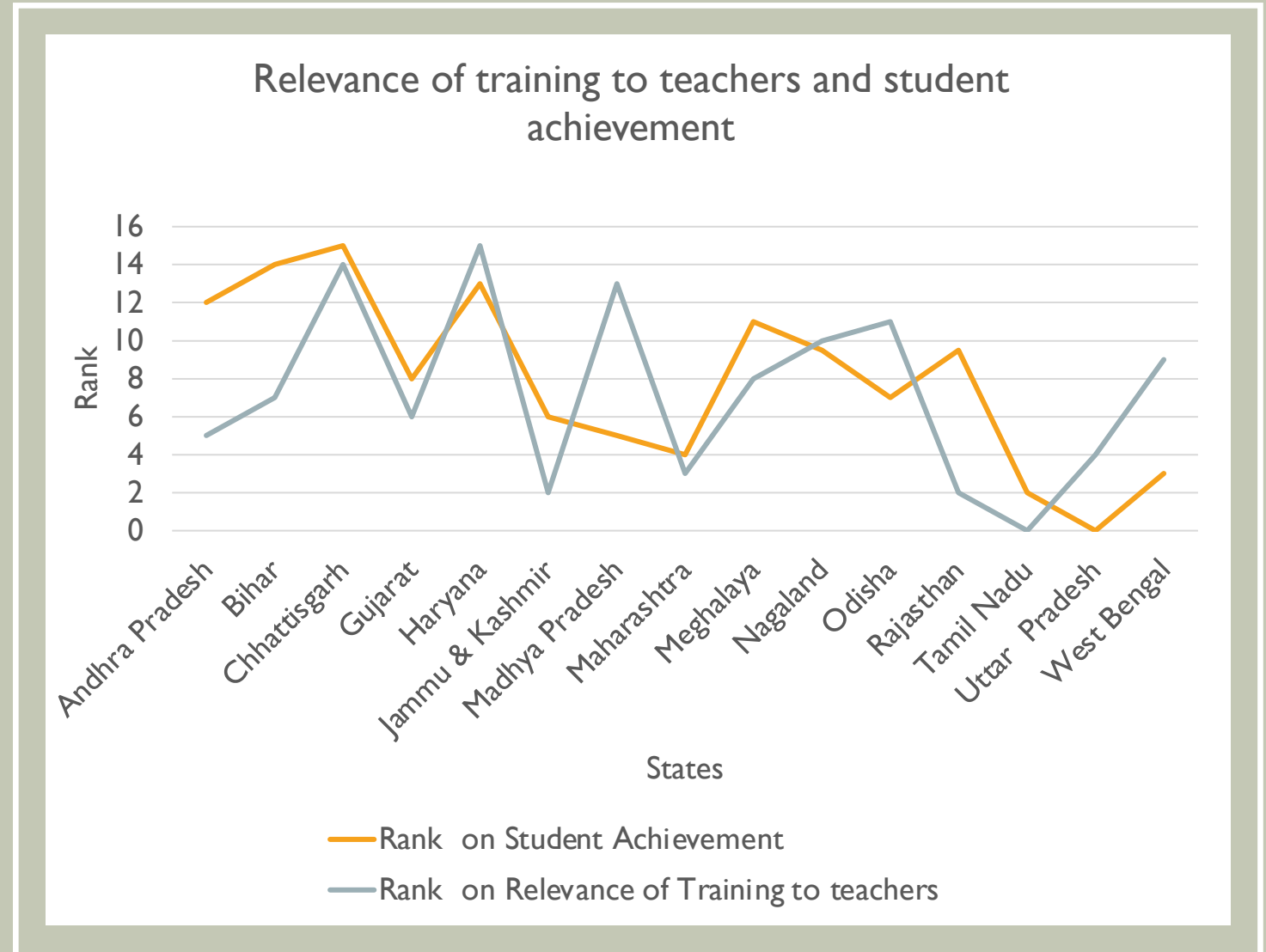


Read more: [Indian Skill Report 2020](#)

Training of Teaching Staff: INSET Training

- INSET – In-Service training is a school-based workshop for teachers to help improve teaching methods and student-centered learning.
- In Tamil Nadu, Uttar Pradesh, Gujarat, Jammu and Kashmir and Odisha - Student achievement was found significantly correlated with the relevance of INSET and enrichment of understanding of the content .

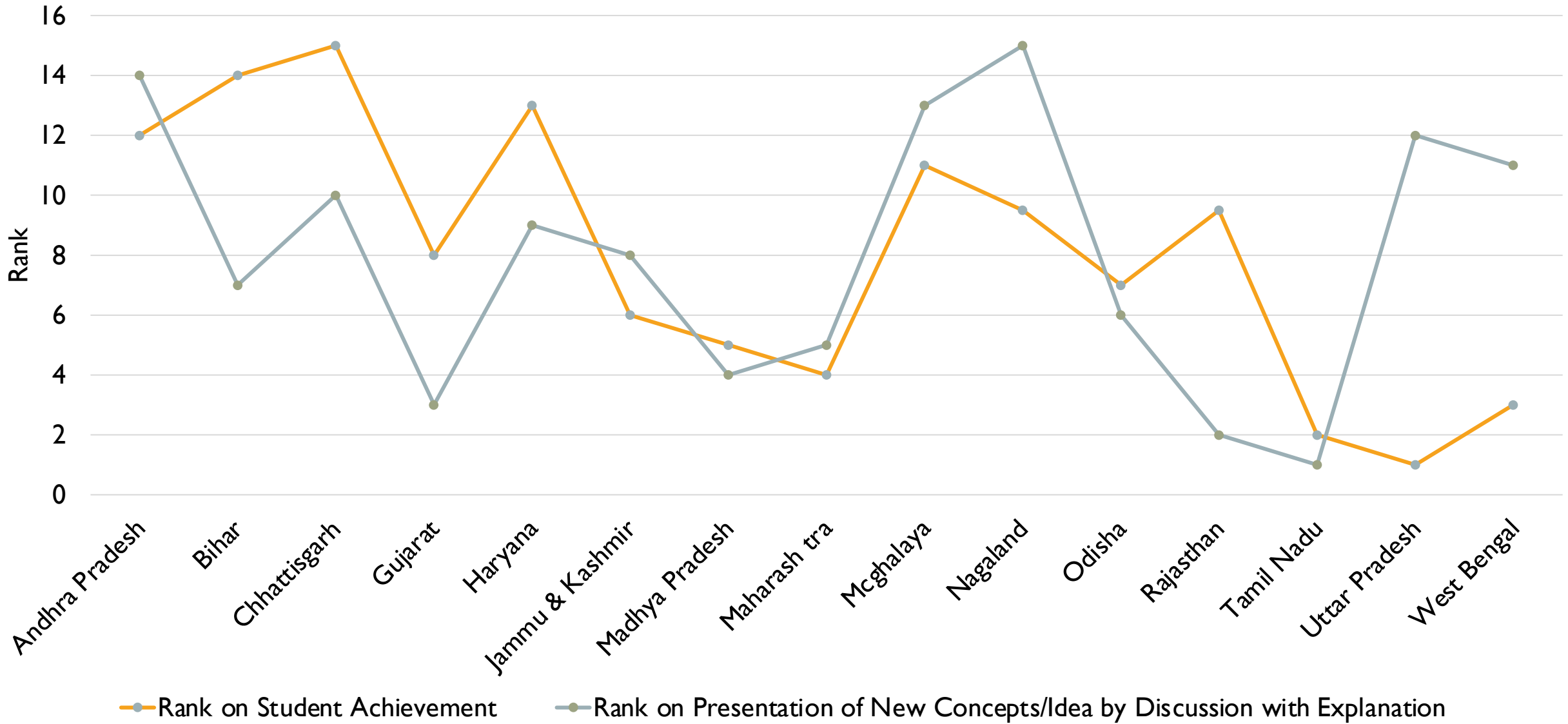
Variable	Rank Order Correlation
Relevance of teacher training	0.54
Presentation of New concepts and Ideas through Discussion and Explanation	0.28
participation in discussion and making experience-based comments for participation	0.25



Read more: [Impact of Teacher training on class room transaction](#)

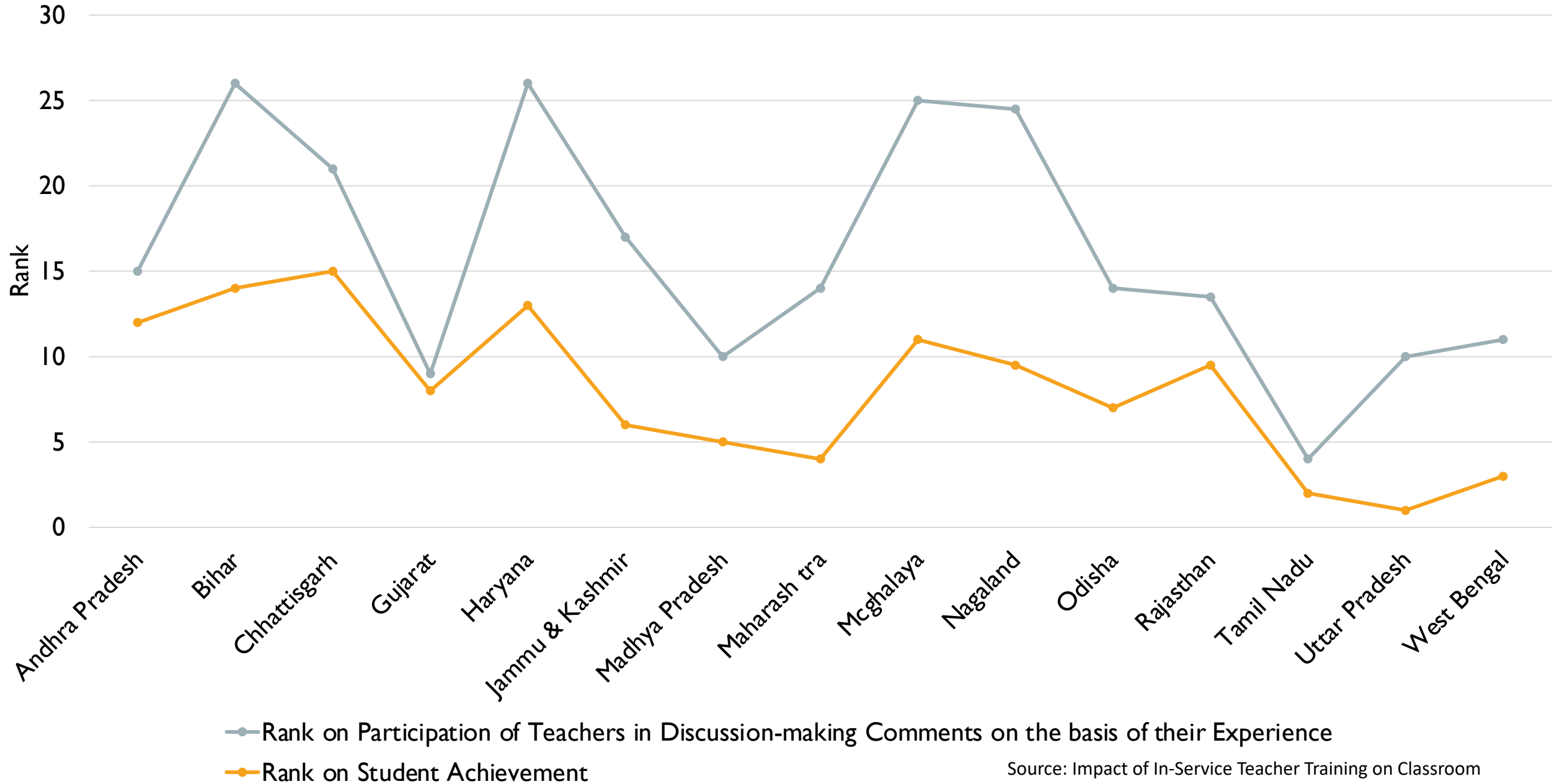
Source: Impact of In-Service Teacher Training on Classroom Transaction(National Council of Educational Research and Training, 2012)

Correlation between Teacher Discussion and Explanation (taught in INSET Training) and Student Achievement



Source: Impact of In-Service Teacher Training on Classroom Transaction (National Council of Educational Research and Training, 2012)

Correlation between Teacher Discussion (taught in INSET Training) and Student Achievement



Source: Impact of In-Service Teacher Training on Classroom Transaction (National Council of Educational Research and Training, 2012)

CONCLUSION

- **Allocations on education** has seen an upward trend. However, the release of funds from the Central Government has been meager. Despite this, the spending on education taken up by States by mobilizing funds from the private investment space. Given that the **States share** in total spending on education (as a constitutional separation of powers too) is much higher compared to the Centre, the Central government must ensure that for implementation of NEP 2020, the State gets more finance to address its grand vision.
- **States' performance on Girls' education** has been poor and with the Centre allocating funds based on the State's performance, it has trapped states such as Bihar, Rajasthan, Madhya Pradesh and Chhattisgarh in a vicious cycle where states have lesser and lesser funds (and performance improvement becomes difficult).
- We see a gradual creeping of rampant, ad-hoc **Privatization** in all levels of education during the years. However, with the endorsement of push towards private players in NEP 2020 policy, letting private investment alone dictate the dynamics of education sector performance will only worsen issues of accessibility, equity and other supply-side constraints for quality education of the masses.
- We witness a gap in employability and the quality of labour ensured by schemes such as PMKVY. The onus of this gap falls on **learning outcomes and deepen the Acad-Ind Gap**. The NEP's focus on learning outcomes through flexible approaches for subject selection is refreshing. However, teachers training is of utmost importance for this change to materialize. More pilot studies must be conducted to ensure efficacy of the policy.

Regression Output

VARIABLES	GER
lgPCGDP	12.483***
	-2.484
Constant	-19.648
	-23.177
Observations	17
R-squared	0.627

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1



For any inputs, comments or clarifications please contact The Centre for New Economics Studies at cnes@jgu.edu.in.



Thank you!