



INTRA-SECTORAL ALLOCATION OF RESOURCES IN EDUCATION SECTOR IN FIVE YEAR PLANS IN INDIA –AN ANALYSIS

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ARTICLE INFO

Article History:

Received 7th April, 2018

Received in revised form 16th

May, 2018 Accepted 3rd June, 2018

Published online 28th July, 2018

Key words:

Allocation Of resources, Five Year Plans, GDP, Economic Liberalisation

ABSTRACT

The system of education has a determining influence on the rate at which economic progress is achieved and the benefits which can be derived from it. Economic development naturally makes growing demands on human resources and in a democratic set-up it calls for values and attitudes in the building up of which the quality of education is an important element. The socialist pattern of society assumes widespread participation of the people in all activities and constructive leadership at various levels. In a period of intensive development, however, the resources to be allocated for education and the targets to be achieved are among the difficult issues which have to be faced in drawing up a plan of economic and social development. In recent years, there has been a great deal of re-examination of the pattern of education, and on several issues the opinion of educationists has crystallised into fairly specific proposals for change, as indicated in the recommendations of the University Education Commission, the Secondary Education Commission and a number of committees which have inquired into educational problems. The progress achieved in different branches of education has been reviewed by the Central and State Governments with a view to formulating programmes for the second five year plan. Our survey of programmes of education during the second five year plan has shown that in every field tasks of great significance for the future of the nation have to be accomplished. If larger resources can be made available for education by public authorities as well as by each local community, greater progress can be achieved and goals, which still seem distant, can be reached earlier. For economic development to make its full contribution to the well-being of the mass of the people programmes of education should be ahead of economic plans. Means must, therefore, be found to overcome current limitations upon efforts in the field of education. The problem of re-organisation of the system of education may be viewed as comprising a series of practical objectives, such as expansion in the numbers for whom educational facilities are available, provision of larger opportunities for girls and for women generally, diversification of education at the secondary stage, replacement of the traditional primary education by education along basic lines, development of social education, adequate provision for technical and vocational education, and improvement of education in the universities.

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INTRODUCTION

Five year plans are an important instrument of development strategy adopted by the independent India. It set new directions for development- quantitative expansion, improvement in quality as well as several other dimensions of educational development. Therefore, it is important to examine the priority given to different levels of education in the Five Year Plans. An analysis of intra-sectoral allocation of resources in India during the plan period shows an emphasis on some levels of education.

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A clear cut shift in the priorities is quite obvious from Figure:1 and Table 01. In the First Plan, 56 per cent of the total plan resources to education were allocated to elementary education, 13 per cent to secondary, 9 per cent to university and 13 per cent to technical education. The allocation to elementary education came down drastically in the subsequent plans, 35 per cent in Second Plan, 34 per cent in the Third Plan and 30 per cent in the Fourth Plan. Then it increased to 35 per cent in the Fifth plan and again it tended to decline to 30 per cent in the Sixth Five Year Plan. During the Seventh, the Eight, the Ninth Five Year Plan, significant efforts were made to increase the allocation substantially, though the allocations made in the Eighth and Ninth Five Year Plan were still less the corresponding one in the First Five Year Plan in percentage

terms. But again in the Tenth Five Year Plan the elementary education was given a high priority, its share has increased to 65 per cent of the total plan expenditure on education.

Objectives of the Study

1. To examines the pattern of financing of the Five Year Plans.
2. To analyse the constraints associated with the raising of adequate resources for achievement of the objectives of the Plans in Education.

Data Base and Methodology

Our study is based exclusively on secondary data which are published mainly by the Ministry of Finance, Government of India, other departments/offices of the Government of India and Reserve Bank of India

Intra-Sectoral Allocation of Resources in Education Sector in Five Year Plans in India

It has to be noted that, 1986 marks the beginning of the renewed emphasis on elementary education with the formulation of the National Policy on Education (1986), and with the ‘operation blackboard’ and similar other programmes launched by the union and state governments. Besides, the National Policy on Education (1986), international environment, particularly the Jomtien Conference in 1990, and the Dakar Conference in 2001 on Education for All (EFA), Sarva Shiksha Abhiyan (2000-01) and the beginning of the flow of external assistance for primary education, are also responsible for increase in priority for elementary education. Thus, these show that elementary education was given a boost from the Seventh Five Year Plan onwards. However, this boost seems to have been possible with severe cuts in plan resources for other levels of education.

Table 1 Intra-Sectoral Allocation of Plan Expenditure on Education in Five Year Plans

Five Year Plan	(Rs Crore)					Grand Total
	Elementary	Secondary	Higher	Technical		
1	2	3	4	5	6	
First	85 (56)	20 (13)	14 (9)	20 (13)		153.00
Second	95 (35)	51 (19)	48 (18)	49 (18)		273.00
Third	201 (34)	103 (18)	87 (15)	125 (21)		589.00
Fourth	239 (30)	140 (18)	195 (25)	106 (13)		822.00
Fifth	317 (35)	156 (17)	205 (22)	107 (12)		912.00
Sixth	883 (30)	736 (25)	530 (18)	324 (11)		2943.00
Seventh	2849 (34)	1829 (22)	1201 (14)	1083 (12)		8500.00
Eighth	9201 (46)	3498 (17)	1516 (7)	2787 (14)		19600.00
Ninth	27363 (51)	9526 (18)	4350 (8)	4778 (9)		53524.00
Tenth	28750 (65)	4325 (10)	4799 (11)	4700 (10)		43825.00

Source: Annual Financial Statistics of Education Sector, MHRD, various years

The resources allocated to secondary education showed that after an initial jump from 13 per cent to 19 per cent between the First and Second Five Year Plan, it got relatively stabilized and remained around that proportion until the sixth five year plan. In the Sixth Five Year Plan, for the first time, the allocation was increased to 25 per cent. But this level was subsequently reduced to 17 per cent in the Eight Plans and gradually it declined to 10 per cent in the Tenth Five Year Plan (which shows a very meagre amount of all the plan period).

From Table 01 & Fig. 1, it can be analysed that regarding higher education there have been considerable fluctuations. During the First Five Year Plan, higher education was not given high priority. But probably realising the importance of higher

education soon, in the second five year plan the allocations to higher education was doubled from 9 per cent to 18 per cent of total education outlay. During the post-Kothari Commission period, higher education received a better treatment with more than 20 per cent of the total outlay allocated to education being given to higher education. In the Fourth Plan its share reached all-time peak of 25 per cent. Since, then it has been consistently declining. The share of higher education in the total education expenditure in the Eight and the Ninth Five Year Plans was found to be a meagre (7-8 per cent), the lowest proportions in the last half a century, compared to 18 per cent (in the Sixth Plan).

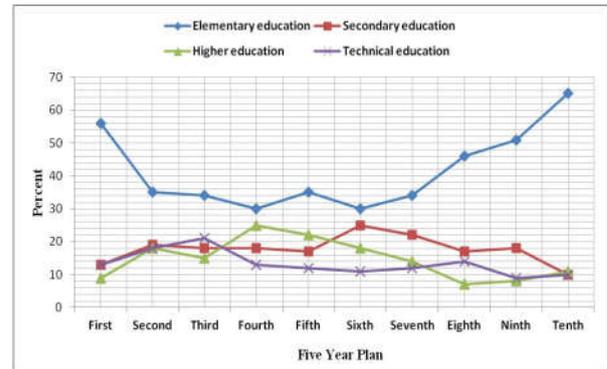


Figure 1 Share of Different Levels of Education in Five Year Plans

Source: Annual Financial Statistics of Education Sector, Various Issues

During the First four five year Plans, increasing priority was given to higher education in the five year plans and in the later period, higher education was paid less attention in terms of allocation of plan resources. More strikingly, allocations to higher education in the Eighth and Ninth Five Year Plans reached the all time bottom levels. This seems to be an undesirable trend, in view of remarkable expansion of enrolment and institutions on one hand and rising cost of higher education on the other. Thus, it can be said that, the figure clearly calls for higher and sustained outlay on higher education, considering the large increase in enrolments. Higher investment is also necessary to improve the quality and infrastructure facilities which are deteriorating rapidly due to paucity of funds. In the Tenth Five Year Plan, the share of higher education slightly increased to 11 per cent. As far as technical education is concerned, it also received relatively better treatment in the first three year plans, and ever since, the share allotted to it has come down with some fluctuations.

Amazingly, the interdependence of various levels of education has been ignored and more emphasis has been given to literacy and primary education. Hence, the practice of putting one level of education against another in allocation of resources may not be proper and in fact, may sound absurd. The main constraint to the expansion of higher educational facilities has been the meagre public resources allocated to education. The changing financing strategy under economic reforms (globalization) seems to be developing one level of education at the cost of another, hence, exacerbating imbalance among different levels of education. It should be noted that higher education institutions play an important role in setting the academic standard for primary and secondary education. They are also responsible for not only providing the specialised human capital in order to corner the gains from globalization, but also for research and development, training inside the country,

provide policy advice etc. It is to be realised that **“higher education is no longer a luxury; it is essential to national, social and economic development” (UNESCO, 2000).**

Thus, the study concluded from table 01 reveal that, intra-sectoral allocation of resources in education sector has shown a mixed trend in the globalised era. The sector which has accorded more attention and priority are the elementary education. Due to priority given to this sector, other sector viz. secondary, higher and technical education suffered a lot. Therefore, government should increase total expenditure on education as a per cent of its GDP so that each level of education can get equal share and there will be no need to cut the expenditure on any level of education to finance other level of education.

In this scenario of fast depleting financial support from the government, various measures for mobilising resources for education in general and higher education in particular have been suggested. Government has appointed two committees for the central universities, known as *Justice K. Punnaya committee (UGC, 1993)* and the other for technical education known as *D. Swaminathan committee (AICTE, 1994)*, to recommend alternative methods of mobilising resources for higher education. Both these committees suggested several measures to mobilize the non-governmental resources for higher education like (a) raising the level of fees and funds collected from the students; (b) introduction of self-financing courses, and (c) student loans. Many other committees were also constructed to deal with issues pertaining to financing of higher education. The prominent among those were: UGC (1997); on unit cost of higher education, to review the norms of maintenance grants for Delhi colleges (UGC, 1999), to formulate the revision of fee structure UGC (2000), and *Ambani-Birla Report (GOI, 2000)*. Interestingly, all the committees made recommendations almost on similar lines with central place for the market in the form of imposition of user charges, introduction of self-financing courses, and more space for the entry of private players. Consequently many universities made upward revisions in the level of fees and funds to be charged from the students.

Under the policy of economic liberalisation, a strong case has also been made of privatization of higher education. Without going into a detailed discussion on privatisation it can be argued that complete privatization of higher education in which there is only profit motive and not the development of education in right directions will be the over-riding considerations. Therefore, the government cannot and should not abdicate its responsibility of providing financial support to institutions of higher education. Privatisation in higher education should be encouraged in India but with close government regulation and at the same time it should not encourage commercialisation. Privatisation which ensures social justice in higher education to all class of people and fights against its challenges is most welcome.

CONCLUSION

Over the last 70 years of development strategies there has been a series of different approaches of financing of the developmental plan driven by the single paradigm of quick economic growth for generating greater amount of Social Welfare. The choice of sources of financing has always been a matter of concern for the Government because the sources from which the financial resources are to be mobilized are as much important as their volume. The most important task for the Government is to mobilize the total financial resources to match the provisions of the plan. This requires a suitable means or technique. There is always a problem of selection of sources of financing like taxes, a problem of selection of sources of financing like taxes, borrowing, ways and means advances facilities and their combination. The choice of particular sources for financing the plan has a close relationship with the pattern of distribution of the burden of development among the classes of people, for instance, a heavy dependence on the tax and non-tax receipts do not impose any burden of repayment on the Government and hence the Government saves a significant amount from unproductive expenditure like interest payment. But as the share of borrowings increases in the financing of plan, a high percentage of Gross Domestic Product goes for the interest payment of Gross Domestic Product goes for the interest payment and small amount is left for the downtrodden and hence the very purpose of borrowing is defeated. As a matter of fact the financing of expenditure by borrowing tends to produce higher prices and other inflationary effects specially in the period of full employment because they increase total spending as during to period of full employment, any increase in government expenditure not offset by an equivalent decline in private spending for consumption or investment will be inflationary. Thus the country has been faced with a dilemma by adopting this easy technique for mobilizing financial resources.

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