

Demand for Grants 2023-24 Analysis

Education

In India, both the central and state governments have responsibility for education.¹ Both central and state governments operate schools and higher education institutions (HEIs). The Ministry of Education formulates and implements national policies, develops plans to improve access to education and provides for scholarships.

The Ministry of Education has two departments: (i) the Department of School Education and Literacy, and (ii) the Department of Higher Education. The Department of School Education is responsible for schools such as Kendriya Vidyalayas, and Navodaya Vidyalayas. It also funds certain schemes implemented by states such as Samagra Shiksha, which seeks to improve access to schools and overall learning outcomes, and the National Mid-Day Meal Programme. The Department of Higher Education funds central universities, IITs, NITs, IISERs, IIMs, and Schools of Planning and Architecture, among others. It also funds the higher education regulators, UGC and AICTE. The Department also supports research and innovation in higher education, and provides scholarships for higher education. This note examines the allocation to the Ministry in 2023-24, and overall financing issues in the education sector.

Overview of finances

In 2023-24, the Ministry of Education has been allocated Rs 1,12,899 crore.² This is an increase of 13% over revised estimates for 2022-23. The Department of School Education and Literacy has been allocated Rs 68,805 crore (61% of the Ministry’s expenditure). This is an increase of 16.5% over the revised estimates of 2022-23. The Department of Higher Education has been allocated Rs 44,095 crore (39% of the Ministry’s expenditure), an increase of 8% over the revised estimates of 2022-23.

Table 1: Expenditure of Ministry of Education (Rs crore)

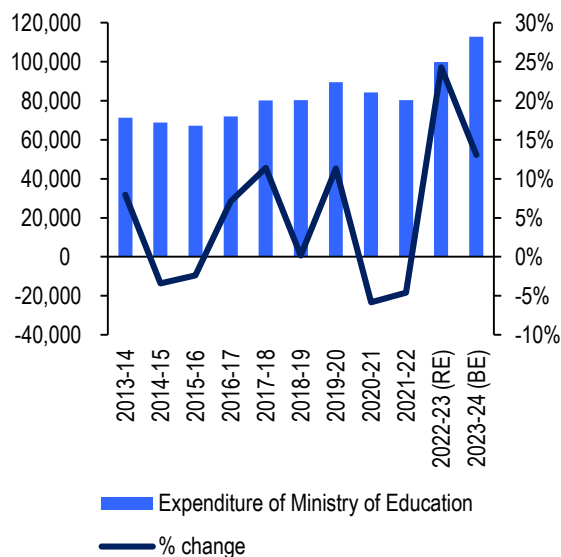
	2021-22 Actuals	2022-23 RE	2023-24 BE	% change, 22-23 RE to 23-24 BE
School Education	46,822	59,053	68,805	16.5%
Higher Education	33,531	40,828	44,095	8.0%
Total	80,352	99,881	1,12,899	13.0%

Note: BE – Budget Estimate; RE – Revised Estimates.
Sources: Demand Numbers 25 and 26, Expenditure Budget 2023-24; PRS.

Since 2013-14, allocation towards the Ministry of Education has increased at an annual average rate of 4.7%. There was a decline in the expenditure of the

Ministry in 2020-21 and 2021-22, which could be due to the COVID-19 pandemic. The revised estimates for 2022-23 are 24% higher than actuals for 2021-22 (low base).

Figure 1: Expenditure of the Ministry of Education over the last decade (in Rs crore)



Note: RE is Revised Estimate, BE is Budget Estimate

Announcements in Budget Speech 2023-24

In her Budget Speech, the Finance Minister made the following announcements related to the education sector:

Teacher Training: Teacher training will be re-envisioned through innovative pedagogy, continuous professional development, surveys, and ICT implementation. The District Institutes of Education and Training will be developed as vibrant institutes of excellence for this purpose.

Libraries: A National Digital Library will be set up for facilitating availability of quality books across geographies, languages, genres and devices. States will be encouraged to set up physical libraries at panchayat and ward levels and provide infrastructure for accessing the National Digital Library.

Higher education: Three centres of excellence for Artificial Intelligence will be set-up in top educational institutions.

Sources: Union Budgets, 2015-16 to 2023-24; PRS.

In 2023-24, the Samagra Shiksha Abhiyaan is estimated to receive the highest allocation under the Ministry, at Rs 37,453 crore (33% of the Ministry’s expenditure). This scheme funds schools run by states. This is followed by allocation towards autonomous bodies under the Department of School Education and Literacy at Rs 14,391 crore (13% of total allocation to the Ministry). These include Kendriya Vidyalayas and Navodaya Vidyalayas.

PM POSHAN, which provides mid-day meals in schools, has been allocated 10% of the Ministry's budget.

Table 2: Main heads of expenditure under the Ministry of Education (2023-24 Budget Estimates, Rs crore)

Major Heads	2023-24 BE	% share of total
Samagra Shiksha	37,453	33%
Autonomous Bodies	14,391	13%
PM POSHAN	11,600	10%
Universities	11,529	10%
IITs	9,662	9%
UGC and AICTE	5,780	5%
NITs and IIST	4,821	4%
PM SHRI	4,000	4%
Others	13,664	12%
Total	1,12,899	100%

Note: Autonomous bodies include those under the Department of School Education - Kendriya Vidyalaya Sangathan, Navodaya Vidyalaya Samiti.

Sources: Demand Number 25 and 26, Expenditure Budget 2023-24; PRS.

Health and Education Cess

In 2018-19, a 4% Health and Education Cess on income was introduced, replacing two prior cesses, the Primary Education Cess and the Secondary and Higher Education Cess.³ The Prarambhik Shiksha Kosh (PSK) is a non-lapsable reserve fund created to receive proceeds from the Primary Education Cess, in 2005.⁴ It is currently used for the Samagra Shiksha Abhiyan and the Pradhan Mantri Poshan Shakti Nirman (PM POSHAN).²

Similarly, a reserve fund called the Madhyamik and Uchchar Shiksha Kosh (MUSK) was created to receive proceeds from the Secondary and Higher Education Cess, in 2017.⁵ For 2023-24, transfers from this fund are proposed to be made to (i) Sarva Shiksha Abhiyan, (ii) National Means cum Merit Scholarship Scheme, (iii) the Kendriya Vidyalaya Sangathan, and (iv) the Navodaya Vidyalaya Samiti.² Under the Department of Higher Education, it will be allocated towards PM Uchchar Shiksha Protsahan (PM-USP) Yojna, which integrates current Interest Subsidy and Guarantee Fund contribution schemes and scholarships for higher education.²

Historically, collections of the Primary Education Cess were underutilised, as observed by the then-Standing Committee on Human Resource Development in 2018.⁶ Collections of the Primary Education Cess between 2004-05 and 2016-17 amounted to Rs 1,92,770 crore, of which Rs 13,113 crore (6.8%) was not utilised.⁶

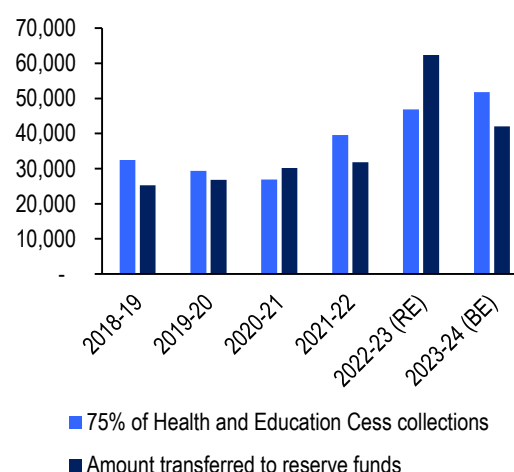
In 2018-19 and 2019-20 the Comptroller and Auditor General (CAG) found that no principles had been applied for the sharing of collections of the Health and Education cess (Rs 41,309 crore) between the education and health sectors.^{7,8} Though proceeds had been allocated for transfer in 2018-19 and 2019-20 (Rs 12,608.98 crore and Rs 14,460

crore, respectively), no transfer was made to MUSK since it had not been made operational.^{7,8} However, in both years, cess collections were directly spent on heads that were intended to be supported from the fund.^{7,8} This amounted to Rs 11,632 crore in 2018-19, and Rs 974 crore in 2019-20. In 2019-20, Rs 28,920 crore was allocated for the PSK, but only Rs 26,848 crore was transferred.⁸ In 2020, the CAG concluded that there was no mechanism to ensure that cess collections would be appropriately utilised.⁷

In 2020-21, cess collections amounted to Rs 35,821, from which Rs 20,567 crore was allocated towards MUSK. However, the CAG found that no transfer was made since the accounting procedure for the fund had not yet been finalised.⁹ The Ministry of Finance ordered that 75% of cess collections are to be utilised in the education sector from that year.⁹

Data from budget documents reveals that for four of six years for which the cess has been collected, including 2023-24 budget estimates, the amount transferred to both education reserve funds is less than 75% of the cess collections (See Figure 2).¹⁰ However, as per revised estimates for 2022-23, the amount transferred to the reserve funds is higher than the 75% share of cess collections in that year.

Figure 2: Health and Education Cess receipts (75% to be used for health schemes) and allocation towards the education sector (under PSK and MUSK) (in Rs crore)



Source: Receipt Budget 2023-24; Demand No. 25, Expenditure Budget 2023-24; Demand No. 26, Expenditure Budget 2023-24

As per revised estimates for 2022-23, Rs 24,350 crore will be transferred to MUSK, and Rs 38,000 crore will be transferred to PSK. Budget estimates for 2023-24 are lower; PSK will receive Rs 30,000 crore, and MUSK will receive Rs 12,000 crore.

Overall investment in education falls short of policy targets

Back in 1964-66, the Education Commission had undertaken a broad review of education in India and set a target of investing 6% of India's GDP towards education, from both central and state

governments.¹¹ This target has been retained in multiple successive National Policies on Education, including the National Education Policy, 2020 (NEP).¹² However, this target has never been met. In 2022-23, states and centre together estimated to spend about Rs 7.6 lakh crore on education, which is about 2.9% of India's GDP.¹³ Overall allocation towards education has been around 2.8% to 2.9% of the GDP since 2015.¹³ This is low in comparison to countries such as Brazil (6.0% in 2019), South Africa, (6.6% in 2021), Indonesia (3.5% in 2020).¹⁴

The 15th Finance Commission had also noted that poorer states such as Bihar, Jharkhand and Uttar Pradesh lag in their key human development parameters related to education. Their per capita expenditure on education remains low. For example, in 2022-23 (budget estimates) Uttar Pradesh spent Rs 3,205 per capita on education, Bihar spent Rs 3,245 and Jharkhand spent Rs 3,626. The average per capita expenditure by larger states on education that year was about Rs 5,300. In 2022-23, states on average spent about 14.8% of their budget on education.

Department of School Education and Literacy

In 2023-24, the Department of School Education has been allocated Rs 68,805, which is an increase of 17% over the revised estimate for 2022-23. In 2020-21, and 2021-22, the actual expenditure of the Department declined due to the COVID-19 pandemic during which schools were shut.

Table 3: Major heads of expenditure under the Department of School Education and Literacy (Rs Crore)

Major Heads	Actual 2021-22	2022-23 RE	2023-24 BE	% Change (RE to BE)
Samagra Shiksha	25,061	32,152	37,453	16%
Autonomous Bodies*	10,933	12,859	14,391	12%
PM POSHAN**	10,231	12,800	11,600	-9%
PM SHRI***			4,000	
NCERT	320	405	519	28%
Others	25	537	478	-11%
National Means cum Merit Scholarship Scheme	252	300	364	21%
Total	46,822	59,053	68,805	17%

Note: * includes Kendriya Vidyalayas, Navodaya Vidyalayas, and CBSE; ** includes the Mid-day Meal Scheme; *** is allocated towards 15,000 schools of excellence under the NEP.

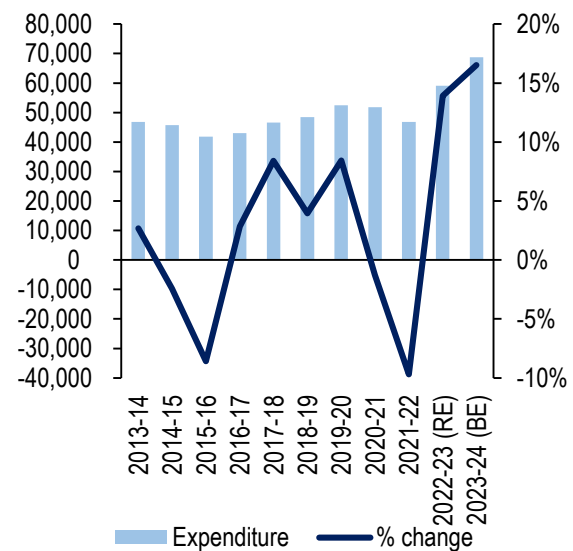
Sources: Expenditure Budget, 2023-24, PRS.

In 2023-24, majority of the Department's allocation (54%) is towards the Samagra Shiksha Abhiyaan at Rs 37,453 crore. Autonomous bodies under the Department will receive Rs 14,391 crore, 21% of the Department's expenditure. This includes bodies

such as the Kendriya Vidyalaya Sangathan (KVS), the Navodaya Vidyalaya Samiti (KVS), and CBSE. The Pradhan Mantri Poshan Shakti Nirman (PM-POSHAN) programme is estimated to receive Rs 11,600 crore, which accounts for 10% of the Department's estimate. Table 3 shows the key expenditure heads for the department.

With regard to school education, the National Education Policy, 2020 (NEP) seeks to: (i) restructure curricula and pedagogy, including early childcare; (ii) set up and plan the achievement of targets for basic literacy and numeracy; and (iii) achieve universal access to education.¹²

Figure 3: Trends in the expenditure of the Department of School Education and Literacy over the last decade



Sources: Union Budgets, 2015-16 to 2023-24; PRS.

Samagra Shiksha Abhiyan

The Samagra Shiksha Abhiyan is the flagship scheme of the Department of School Education, and focuses on achieving universal access to school education as envisaged in the NEP. It subsumes (i) Sarva Shiksha Abhiyan, which sought to achieve universal primary education; (ii) the Rashtriya Madhyamik Shiksha Abhiyan, which targeted increasing enrolment in secondary education, and (iii) Teacher Education initiatives, which sought to improve and maintain the competency of teachers.¹⁵

A major part of the scheme is the upgradation of school infrastructure, ranging from educational facilities such as science labs, to facilities for health and hygiene such as drinking water taps and toilets.¹⁵ Other infrastructural components are directed at improving physical accessibility, such as adding ramps.¹⁵

Key pedagogical components of the scheme include the National Initiative for Proficiency in Reading with Understanding and Numeracy (NIPUN) Bharat Mission, which seeks to achieve the NEP's goal of Foundational Literacy and Numeracy (FLN).^{15,16}

The National Initiative for School Heads and Teachers Holistic Advancement (NISHTHA), is a teacher training programme under the scheme, which has expanded online due to the COVID-19 pandemic.¹⁶ The Scheme provides support for differently abled children in the form of accessible course material such as Braille textbooks, and monetary support for children with special needs.¹⁶ The Scheme also funds monitoring of the progress of educational achievement through the National Achievement Survey and a study of FLN, the Foundational Learning Study (FLS).¹⁶ The scheme has been allocated Rs 37,453 crore in 2023-24.

PM Schools for Rising India (PM-SHRI)

Under this scheme, 14,500 PM-SHRI schools are intended to serve as exemplar schools in terms of NEP objectives.¹⁷ The scheme will cover a five-year period from 2022-23 to 2026-27.¹⁸ Over this period, it is estimated to have a total project cost of Rs 27,360 crore, of which Rs 18,128 crore will be contributed by the central government.¹⁸ For 2023-24, the scheme has been allocated Rs 4,000 crore.²

Pradhan Mantri Poshan Shakti Nirman (PM-POSHAN)

PM-POSHAN, previously the Mid-Day Meal Scheme, provides cooked mid-day meals to eligible children in schools operated or aided by central, state or local governments.¹⁹ The scheme intends to improve nutritional status of children while encouraging them to participate in school education.¹⁹ The scheme has statutory backing under Section 5 of the National Food Security Act, 2013.²⁰ The scheme has been allocated Rs 11,600 crore in 2023-24.

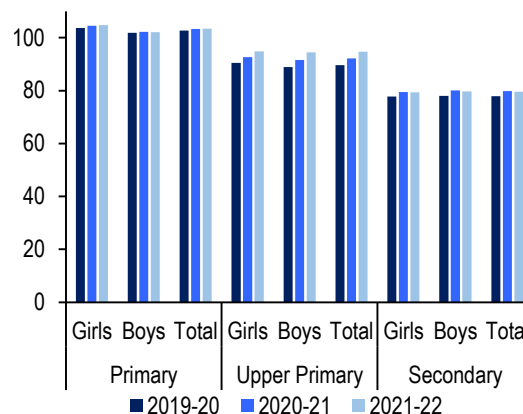
Participation in secondary school education continues to be low

One of the key concerns in the last three years has been the impact of the pandemic and ensuing school closures on enrolment of children in schools and the learning levels. Enrolment, referring to the participation of children in the school education system, has been a key issue which education policy has sought to address.¹² Even with schools shutting down during the pandemic, enrolment at the primary level continues to be 103%.²¹

As per the Unified District Information System For Education Plus (UDISE+) statistics, which include schools managed by both governments and private entities, enrolment rates were higher in 2021-22 than in 2020-21.²¹ Where age groups correspond to education levels in India, Gross Enrolment Ratio (GER) refers to the percentage of a given age group that is enrolled in school for a given education level.²¹ Since children from both below and above a given age group may enrol for the corresponding education level, it is possible for GER to be greater than 100%. While GER is above 100% in primary education (for both boys and girls), it drops off

sharply after the primary education level (see Figure 4). In 2021-22, GER is 103.4% at the primary level; it falls to 94.7% at the upper primary level (Classes 6-8), and falls further to 79.6% at the secondary level (Classes 9-10).²¹

Figure 4: Gross Enrolment Rates (GER) across education levels

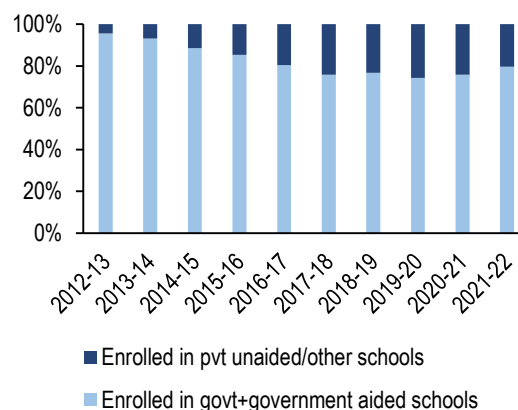


Sources: Chapter 6, Economic Survey 2022-23, Budget 2023-24; PRS.

Dropout rates measure the percentage of children who drop out from a given cohort, for a given year. Dropout rates increase with an increase in the level of education. While the dropout rate for secondary education have marginally reduced, it is still high as compared to primary and upper primary levels. In 2021-22, dropout rates were 1.5% for primary education, 3% for upper primary education, and 12.6% for secondary education.²¹

UDISE+ data shows that the percentage of children enrolled in government schools and government-aided schools increased during the pandemic, from 76% in 2019-20, to 79.6% % in 2021-22 (see Figure 5).²¹

Figure 5: Timeline of enrolment in schools by management and funding

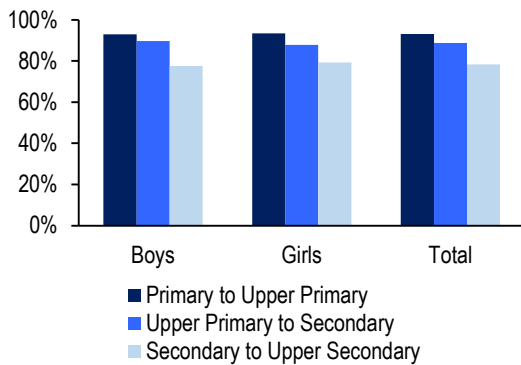


Source: UDISE+ Statistics, for years 2012-13 to 2022-21

Transition rates illustrate the proportion of children that are able to transition from one education level to another. In 2021-22, 93% of children transition to upper primary school. Of those, 89% make it to secondary school. The transition rate from secondary to reach upper secondary education is

78% (see Figure 6).²¹

Figure 6: Transition rates by gender, for between all levels of school education.



Sources: UDISE+ Flash Statistics, 2021-22; PRS.

The 75th Round of the National Sample Survey, conducted between 2017 and 2018, reveals that the largest cause of female student drop outs is engagement in domestic activities (30.2%).²² For male students, the largest cause is engagement in economic activities (36.9%).²² This suggests continued correlation between dropout and socio-economic pressures forcing students to work.

One of the goals of PM-POSHAN is to create incentives that reduce dropout rates by reducing economic pressure and assuring a degree of food security.¹⁹ PM-POSHAN has been allocated Rs 11,600 crore in 2023-24. This is 9% lower than the revised estimate for 2022-23.

In 2022, the Standing Committee on Education, Women, Children, Youth and Sports observed persistence of inequities in access to education between social groups.²³ It recommended that the Department of School Education and Literacy conduct a survey to identify districts in which dropout rates are higher (relative to the national average) among girls, as well as children of both genders belonging to Scheduled Castes and Scheduled Tribes.²³ This survey could then be used to draft an intervention plan to not only help the children complete their education, but also take vocational training. Financial assistance for out of school children of two thousand rupees per annum has been provided since 2021-22 to address this, and special training is provided to help them return to age-appropriate education levels.²⁴

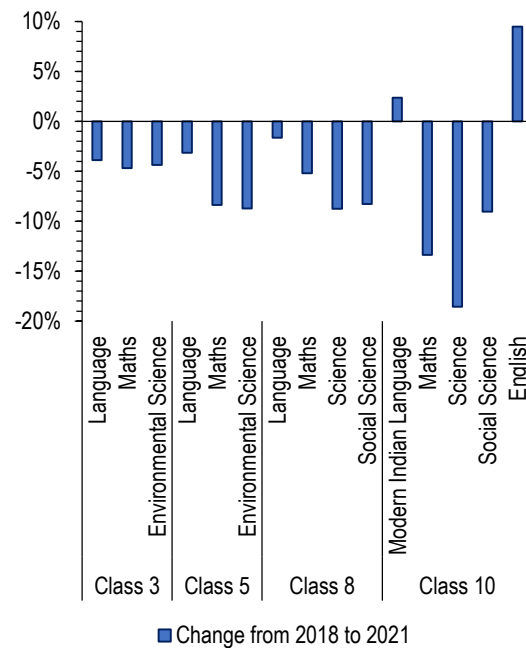
UDISE+ data shows that the percentage of children enrolled in government schools and government-aided schools increased during the pandemic, from 78% in 2019-20, to 83% in 2021-22.²¹

Pandemic had an impact on learning outcomes

While the pandemic did not significantly affect enrolment and dropout rates, it may have impacted learning outcomes. The National Achievement Survey (NAS) is conducted among students at Classes 3, 5, 8, and 10.^{25,26} It measures learning

ability in mathematics and languages, and also in physical and social sciences for older age groups. Scores are given on a scale from 0 to 500. The survey found that between 2018 and 2021, across all levels, scores declined in all subjects except Modern Indian Language and English for Class 10 (see Figure 7).^{25,25, .27}

Figure 7: Percentage changes in All-India scores from NAS 2018 to NAS 2021



Sources: “National Achievement Survey National Report Card NAS 2021, Class III, V, VIII, &X”, Ministry of Education; “Learning Achievement of Students, Class X (Cycle 2), NAS 2018”, Ministry of Human Resources Development; “National Achievement Survey, Class: III, V and VIII, National Report to Inform Policy, Practices and Teaching Learning”, Ministry of Human Resource Development; PRS.

NAS data also shows that there is significant variation between states. For example, some states score relatively high on Class 3 mathematics skills, such as Punjab (339) and Tamil Nadu (304); others score lower, such as Telangana (278) and Meghalaya (279).²⁵

NIPUN Bharat

To address issues of educational achievement, the NIPUN Bharat Mission was launched in July 2021.²⁸ It aims to achieve the NEP objective of universal foundational literacy and numeracy (FLN) among children up to Class 3 who have not achieved it, by 2026-27.¹⁶ The Mission will involve setting of state-level and national targets for literacy and numeracy, and providing support in the form of funding and guidance to states, as well as development of curricula and digital tools.¹⁶

States will be responsible for annual plans, implementing the scheme and systems for monitoring progress, and overseeing appointment and training of sufficient teachers.¹⁶ As of December 2022, a Foundational Learning Study had been conducted to ascertain the level of literacy and

numeracy in primary school children, and online resources for teachers had been made available via a portal called 'DIKSHA'.²⁹ Further, almost 12 lakh teachers have undergone training under the Mission.²⁹ As of February 2023, all states had initiated in-person training except Andhra Pradesh, Chhattisgarh, Jammu and Kashmir, Karnataka, Kerala, Madhya Pradesh, Odisha, Punjab, and West Bengal.³⁰

In 2023-24, the Ministry has allocated Rs 800 crore for Strengthening Teaching-Learning and Results for States. This seeks to support states in developing, implementing and improving interventions that help improve learning outcomes, and school to work transition strategies to improve labour outcomes. As per the revised estimates of 2022-23, this programme will receive an allocation of Rs 400 crore.

Many efforts to bridge the learning gap needed to be undertaken by state governments, due to inter-state variation in the severity of the pandemic, and variations in lockdown duration.³¹ However, the National Council for Educational Research and Training (NCERT) developed alternative academic calendars to guide states in facilitating children's return to school.³² NCERT also developed learning materials, such as "Vidya Pravesh" guidelines, to help children in pre-school attain the skills necessary to enter Class 1.³³ Other material was developed by NCERT to help bridge the learning gap among students who did not have access to digital devices, such as the "Students Learning Enhancement Guidelines".³⁴

Schools still lack human and infrastructural capacity

In 2021-22, there were about 14.9 lakh schools in India.¹³ While infrastructure in schools has improved over the years, some basic infrastructure is still lacking. As on 2021-22, 97.5% of the schools had a girl's toilet, and 96.2% schools had a boy's toilet. 87% of schools had a library/reading corner, and 89% of the schools have access to electricity. Only 47.5% of the schools had a computer, and 34% had internet.

The primary responsibility of maintaining school infrastructure is with the state governments. However, the Ministry of Education launched the PM Schools for Rising India (PM SHRI) scheme in September 2022 to equip schools with modern infrastructure and showcase the implementation of the NEP.¹⁸ The scheme will be implemented in 14,500 selected existing schools.¹⁸ The scheme has been allocated Rs 4,000 crore in 2023-24.

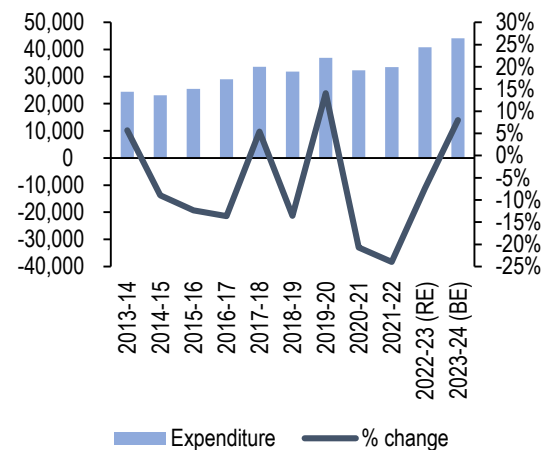
The NEP has set a goal of having an average pupil-teacher ratio of 30:1.¹² Data from UDISE+ shows that at the all-India level, this target has been achieved, with a ratio of 26:1 in primary schools, 19:1 in upper primary schools, 17:1 in secondary schools, and 27:1 at the higher secondary level.

Only Bihar and Delhi did not meet this target at the primary level (53:1 and 33:1 respectively), and only Delhi missed the target at the upper primary level (32:1). At the secondary level, Bihar and Jharkhand have ratios of 54:1 and 34:1 respectively. At the higher secondary level, six states have high ratios; these are Bihar (62:1), Jharkhand (57:1), Uttar Pradesh (38:1), Maharashtra (38:1), Odisha (35:1), and Andhra Pradesh (31:1).

Department of Higher Education

The Department of Higher Education has been allocated Rs 44,095 crore for 2023-24, an increase of 8% over the revised estimates for 2022-23. As with the Department of School Education, the actual expenditure by the Department of Higher Education also declined in the years 2020-21 and 2021-22.

Figure 8: Trends in the expenditure of the Department of Higher Education over the last decade



Note: Revised Estimate has been used for 2022-23; For 2023-24, % change in allocation is 2023-24 BE over 2022-23 RE. Sources: Union Budgets, 2015-16 to 2023-24; PRS.

Expenditure towards the three largest components of the allocation to the Department are estimated to increase by less than 5% over revised estimates for 2022-23. The first of these are grants to central universities, which will receive an estimated Rs 11,529 crore (4% increase). The second is allocation for the Indian Institutes of Technology (IITs), which are estimated to receive Rs 9,662 crore (3% increase). Finally, statutory and regulatory bodies under the Department will receive an estimated Rs 5,780 crore (4% increase). These bodies include the University Grants Commission (UGC), which regulates universities (including setting standards) and allocates funds to them.³⁵ It also includes the All-India Council for Technical Education (AICTE), which regulates, funds, and plans the development of institutions for technical and management education.³⁶ Table 4 shows the key heads of expenditure for the department.

With regard to higher education, the NEP seeks to achieve the following: (i) establishment of at least one large multi-disciplinary higher education

institution in every district, (ii) equitable access to higher education, (iii) an increase in research capacity and output, and (iv) expansion of vocational training.¹²

Table 4: Major heads of expenditure under the Department of Higher Education (Rs Crore)

Major Heads	Actual 2021-2022	2022-23 RE	2023-24 BE	% Change (RE to BE)
Grants to Central Universities	8,750	11,034	11,529	4%
Indian Institutes of Technology	8,082	9,345	9,662	3%
Statutory/Regulatory Bodies (UGC and AICTE)	5,029	5,551	5,780	4%
National Institutes of Technology (NITs) and IIST	3,485	4,444	4,821	8%
Student Financial Aid	1,872	1,813	1,954	8%
World Class Institutions	1,046	1,200	1,500	25%
Indian Institute of Science, Education and Research (IISERs)	1,032	1,398	1,462	5%
Indian Institutes of Management	651	608	300	-51%
Indian Institutes of Information Technology (IIITs)	407	488	560	15%
Others	3,176	4,948	6,528	32%
Total	33,531	40,828	44,095	8%

Expenditure Budget, 2023-24, PRS.

Vacancies and shortfall in faculty positions

As of April 2022, there were 6,549 faculty positions vacant in central universities, a slight increase over April 2021 (6,136 vacancies) and April 2020 (6,318 vacancies).³⁷ Including other institutions under the central government, such as IITs, IIMs, and NITs, vacancies amounted to 13,812 vacant teaching posts.³⁸ The Standing Committee on Education, Women, Children, Youth and Sports recommended that special recruitment drives be conducted to recruit faculty.³⁸ It also recommended that the Department of Higher Education review the process of recruitment, assessment, and promotion of academic faculty, such that it rewards research contributions.⁴⁰

Socio-economic disparity in participation in higher education

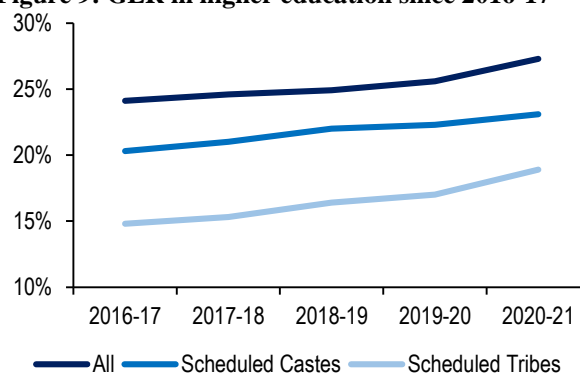
The NEP sets a target of 50% GER in higher education, to be achieved by 2035.¹² As of 2020-21, GER in higher education (for the age group 18-23) is 27.3%.³⁹ GER in higher education has been gradually increasing; it was 25.6% in 2019-20, and 24.9% in 2018-19.³⁹ As on 2020-21, about 4.1 crore

students were enrolled in higher education (2.1 crore male, and 2 crore female).¹³

However, there are disparities in GER across states. States with relatively high GER include Tamil Nadu (45.4%), Uttarakhand (42.8%), and Manipur (36.9%). States with relatively low GER include Jharkhand (12.4%), Nagaland (15.4%), and Chhattisgarh (14.1%).³⁹

Enrolment rates also vary across social groups. Enrolment rates for people belonging to Scheduled Castes (SCs) and Scheduled Tribes (STs) are lower than the all-India GER. However, GER has been increasing for all groups over time (see Figure 9).

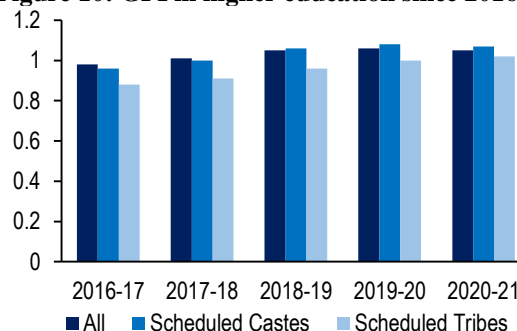
Figure 9: GER in higher education since 2016-17



Source: All-India Survey of Higher Education 2020-21

AISHE data also reveals that gender disparity has reduced over time. The Gender Parity Index (GPI) is a measure for the average of the number of female students for every male student enrolled in higher education, such that a GPI of 1 means that equal numbers of men and women are enrolled. Across all students as well as for members of Scheduled Castes and Scheduled Tribes, GPI has improved from below 1 in 2016-17 to above one in 2020-21. (See Figure 10).

Figure 10: GPI in higher education since 2016-17



Source: All-India Survey of Higher Education 2020-21

There is significant variation between states in the cost of education. Data from between June 2017- and July 2018 collected in the National Sample Survey shows that average annual expenditure towards technical or professional education can be as high as Rs 72,959 for Uttar Pradesh, and as low as Rs 20,656 for Assam, with Haryana and Himachal Pradesh being roughly in the middle with Rs 42,224 and Rs 40,774 respectively.

In 2022, the Standing Committee on Education, Women, Children, Youth and Sports observed that student financial aid schemes were not sufficient to cover the cost of higher education.³⁸ This is because most expenditure from the scholarship is towards course fees.³⁸ The Committee recommended that the Department conduct a study of expenditure from scholarship allocations, as well as a comparative study of schemes offered by other departments and ministries to benefit members of Scheduled Castes, Scheduled Tribes. This study should be used to develop a coordination mechanism with these departments and ministries.³⁸

In 2023-24, the allocation to Student Financial Aid under the Department is Rs 1,954 crore. This is an increase of 8% over the revised estimates of 2022-23. This includes an allocation to the PM Research Fellowship.

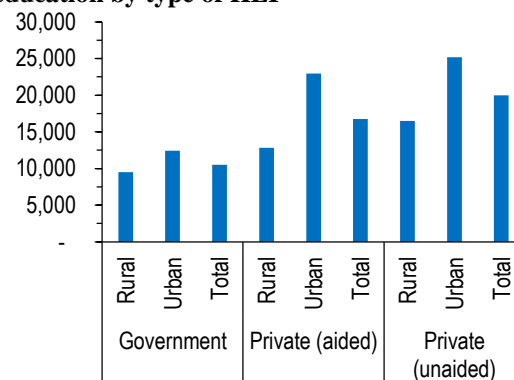
The largest component of student financial aid is the PM Uchcharat Shiksha Protsahan (PM-USP) Yojna, which has been allocated Rs 1,554 crore.² It subsumes three prior heads, the largest of which includes subsidies for interest payments for education loans, and a fund for guarantees against defaults. Other heads subsumed under PM-USP are scholarships for college and university students (scholarship is provided to 2% of students passing out from schools to pursue higher education), and special scholarships for students from Jammu and Kashmir.² The allocation for PM-USP is only 3% higher than the total of revised estimates for the subsumed heads.

Note that in 2022-23, the allocation for Student Financial Aid at the revised estimates stage (Rs 1,813 crore) is 13% lower than the budget estimate (Rs 2,078 crore). This is mostly due to a 24% decrease in interest subsidies and guarantee fund contributions.

More enrolment in private institutions which tend to be more expensive

As of 2020-21, 65% of college enrolments are in privately run colleges.³⁹ The 75th Round of National Sample Survey shows that higher education is more expensive in private institutions, at both the graduate and post-graduate level (2017-18). At the graduate level, average expenditure is (i) Rs 19,972 in unaided private institutions, (ii) Rs 16,769 in private institutions that receive government grants, and (iii) Rs 10,501 in institutions run by central, state, or local governments (see Figure 11).²² Publicly funded and operated higher education institutes play a role in making higher education affordable. The Standing Committee on Education, Women, Children, Youth and Sports recommended auditing HEIs as per the standards applied to not-for-profit institutions and implementing policy measures to incentivise donations towards them.⁴⁰

Figure 11: Average expenditure on higher education by type of HEI



Source: "Key Indicators of Household Social Consumption on Education in India, NSS 75th Round (2017-18)", Ministry of Statistics and Programme Implementation

After higher education – workforce participation and research

Employability

The Economic Survey 2022 noted that impetus must be given to education and skilling to match the requirements of modern industry. One of the goals under NEP is to integrate vocational education with general education and making vocational education more mainstream. Workforce participation rate refers to the percentage of the population aged 15 and above that are employed. With the NEP suggesting increasing the GER for higher education to 50%, which is almost twice as the current levels, employability and availability of jobs for these graduates remains a key challenge.

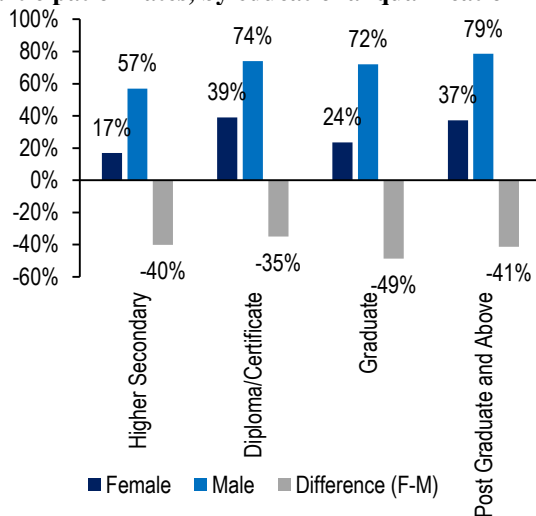
Data from the Annual Labour Force Participation Survey 2020-21 reveals that workforce participation rates for graduates, while improving over previous four years, are still low.⁴¹ For graduates, workforce participation rate stands at 51.8% in 2020-21; this includes diplomas and certificate courses equivalent to graduate-level courses.⁴¹ People whose highest level of education is a diploma or certificate course below graduate-level have the highest workforce participation rate of 64.2%.⁴¹ People who have completed post-graduate study or above have a workforce participation rate of 59.4%.⁴¹

These disparities are more pronounced between genders. For example, the difference between workforce participation rates for females and males is 40% among people whose highest educational qualification is at the higher secondary level, but it widens to 49% for graduates (see Figure 12).

In 2021, the Standing Committee on Education, Women, Children, Youth and Sports recommended that UGC introduce an internship component in B.A., B.Sc., and B. Com courses to increase the employability of graduates.⁴² The UGC subsequently published draft guidelines for research internships in May 2022, with the stated goal of promotion of research in higher education institutes as per the NEP.⁴³ The draft guidelines propose that

internships may serve to improve either research aptitude or employability.⁴⁴

Figure 12: Gender disparities in workforce participation rates, by educational qualification



Sources: Periodic Labour Force Survey (PLFS) – Annual Report [July 2020 – June 2021], Ministry of Statistics & Programme Implementation; PRS.

Other schemes to improve employability aim to do so by providing vocational training. The National Apprenticeship training scheme provides technically

qualified youth, with engineering qualifications, diplomas, or vocational course graduates, with practical experience in a professional environment.^{2,45} The scheme has been allocated Rs 440 crore in 2023-24 budget estimates, a 10% increase over revised estimated for 2022-23.

Research

Other policy efforts are directed at improving research skills. The Multidisciplinary Education and Research Improvement in Technical Education (MERITE) programme focuses on improving research skills and marketability in technical education.⁴⁶ Part of the goal of the programme is to improve access to technical education among members of socio-economically disadvantaged groups, such as people belonging to Scheduled Castes and Scheduled Tribes.⁴⁶ The programme will involve improving curricula, faculty training, and improving facilities (including digital infrastructure) in engineering colleges.⁴⁶ To encourage research, the scheme will create a competitive research fund, to encourage research on specific areas, such as climate change.⁴⁶ The programme is aided with borrowing from World Bank.² It is estimated to receive Rs 100 crore in 2023-24, and nine crore rupees in 2022-23 as per revised estimates.

¹ Entry No. 25, Seventh Schedule, the Constitution of India

² Demand No. 25, Department of School Education and Literacy, Ministry of Education, Union Budget 2023-24, <https://www.indiabudget.gov.in/doc/eb/sbe25.pdf>; Demand No. 26, Department of Higher Education, Ministry of Education, Union Budget 2023-24, <https://www.indiabudget.gov.in/doc/eb/sbe26.pdf>.

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⁶ Report No. 305, Standing Committee on Human Resource Development, on “Demands for Grants 2018-19 (Demand No. 57) of the Department of School Education & Literacy”, Rajya Sabha, March 9, 2018, http://164.100.47.5/committee_web/ReportFile/16/98/305_2018_6_17.pdf.

⁷ Report No. 4 of 2020 – Financial Audit of Accounts of the Union Government for the year 2018-19, Comptroller and Auditor General of India, August 4, 2020, https://cag.gov.in/webroot/uploads/download_audit_report/2020/Report%20No.%204%20of%202020_Eng-05f808ecd3a8165.55898472.pdf.

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⁹ Report No. 31 of 2022 – Financial Audit of Accounts of the Union Government for the year 2020-21, Comptroller and Auditor General of India, December 21, 2022, https://cag.gov.in/uploads/download_audit_report/2022/DSC-Report-No.-31-of-2022_UGFA-English-PDF-A-063a2f3ee1c14a7.01369268.pdf.

¹⁰ Receipt Budget 2023-24; Demand No. 25, Expenditure Budget 2023-24; Demand No. 26, Expenditure Budget 2023-24

¹¹ Report of the Education Commission, Ministry of Education 1964-66, <http://14.139.60.153/handle/123456789/61>.

¹² National Education Policy 2020, Ministry of Education, https://www.education.gov.in/sites/upload_files/mhrd/files/NEP_Final_English_0.pdf.

¹³ Chapter 6, “Social Infrastructure and Employment: Big Tent,” Economic Survey 2022-23, Budget 2023-24, <https://www.indiabudget.gov.in/economicsurvey/doc/eschapter/echap06.pdf>.

¹⁴ “UIS.Stat Bulk Data Download Service”, UNESCO Institute for Statistics (UIS), <https://apiportal.uis.unesco.org/bdds>, (accessed on February 16, 2023)

¹⁵ “Samagra Shiksha An Integrated Scheme For School Education Framework For Implementation”, Ministry of Education, October 12 2022, https://samagra.education.gov.in/docs/ss_implementation.pdf.

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